

Fiscal Year 2018

Citizens' Guide to the Budget



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Kim Guadagno, Lt. Governor

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November 2017



State of New Jersey

OFFICE OF THE STATE TREASURER

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CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

FORD M. SCUDDER
State Treasurer

Message from Ford M. Scudder, Treasurer of the State of New Jersey:

The Citizens' Guide is exactly what its name suggests - a guide designed to help concerned citizens understand the impact of the State's multi-billion dollar budget for Fiscal Year 2018. While similar documents published earlier in the budget process were designed to explain the Christie Administration's budget proposals, the Citizens' Guide details the final spending plan approved by the Legislature and signed into law by Governor Christie.

Much hard work went into the Guide's creation. Professionals at the Office of Management and Budget labored to ensure that the Guide is both illuminating and useful. My thanks go to all who contributed to the creation of the Guide. On behalf of the Department of the Treasury and the Administration, I present this booklet to you in the interest of a more transparent and better government.

Sincerely,

A handwritten signature in black ink that reads "Ford M. Scudder".

Ford M. Scudder

Fiscal Year 2018

Citizens' Guide to the Budget

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The Fiscal Year 2017-2018 Citizens' Guide to the Budget: A Summary of the Appropriations Act

The Citizens' Guide to the Budget is designed to provide a transparent view of the Fiscal Year 2017-2018 budget, allowing the people of New Jersey to understand how public resources are allocated. It continues Governor Christie's commitment to public accountability by providing a more easily understandable description of the details of the Fiscal Year 2017-2018 Appropriations Act, which implements the Budget and directs State spending.

Fiscal 2018 marks the eighth year in which Governor Christie presented and signed a responsibly balanced State budget. The spending plan reflects the Governor's continued commitment to protect taxpayers and critical services through the responsible management of State resources while making the difficult choices to prioritize and fund the essential services on which New Jersey's residents rely.

Members of the Governor's staff, the Treasurer's Office, the Office of Management and Budget, and department managers collaborate throughout the year to ensure the State fulfills key commitments while maintaining fiscal balance. Key performance indicators, as noted in the subsequent pages, are continuously monitored.

Key actions in developing and implementing the budget:

- In February 2017, Governor Christie released his proposed Budget along with the Budget Summary, a document outlining the State's fiscal condition and summarizing the Governor's policy initiatives and Budget proposals.
- The Legislature crafted legislation, modifying the Governor's budget, and submitted it for approval by the Governor. Assembly Bill 5000, the Appropriations Act, was passed by the Legislature on July 4, 2017.
- On July 4, 2017, the Governor used his line-item veto authority and signed the Appropriations Act with an accompanying veto message.
- The Appropriations Handbook was released shortly afterward, providing detailed information about the enacted Budget.

This publication, the Citizens' Guide to the Budget, provides the citizens of New Jersey with a summary of the changes in the enacted Budget and also details the State's certified revenue levels. The Citizens' Guide includes charts and graphs that help explain the State's fiscal condition, along with specific budgetary information about the fiscal 2018 Budget. It also contains detailed performance targets for various State initiatives to provide accountability for taxpayer dollars.

All of the above documents are available electronically at: <http://www.state.nj.us/treasury/omb/> .

In keeping with his commitment to transparency, the Government Transparency Center, which is available 24 hours a day at YourMoney.NJ.Gov, contains comprehensive and up-to-date information about State government. The Center includes revenue and expenditure data, public payroll records, debt information, and performance targets, along with other valuable information. To access the Center, please visit: <http://www.yourmoney.nj.gov/> .

Chapter 1: Budget Highlights



CHAPTER 1: BUDGET HIGHLIGHTS

The Fiscal Year 2018 Budget:

For the eighth consecutive year, New Jersey will operate under a responsible, balanced spending plan, funding key priorities while ensuring New Jersey has the resources available for unforeseen circumstances. The fiscal 2018 budget is a balanced \$34.7 billion plan which allows for a responsible surplus of \$409 million. This budget protects critical services and investments such as funding for schools, transportation, colleges and universities, veterans, seniors, individuals with disabilities and other safety net programs that impact quality of life of New Jersey citizens.

Budget Highlights

The Budget:

- Includes \$2.5 billion in combined contributions to the State's defined benefit funds from the State budget and net lottery proceeds, the largest contribution in State history.
- Spends nearly \$2 billion less in discretionary spending compared to fiscal 2008.
- Decreases the reliance on non-recurring revenue, from a high of 13.2% in fiscal 2010 to 2.8% in fiscal 2018.
- Implements the first year of a historic broad-based tax relief plan that also invests \$2 billion annually over the course of eight years in New Jersey's transportation infrastructure.
- Distributes \$17.6 billion in direct and indirect property tax relief, including \$776.6 million from net lottery proceeds.
- Delivers \$865.5 million in direct property tax relief to New Jersey homeowners, seniors, veterans and disabled residents.
- Includes \$200.3 million for the senior and disabled citizens' property tax freeze benefitting 138,200 current beneficiaries and an expected 25,100 new beneficiaries.
- Provides relief to property taxpayers with an average homestead benefit of \$256 for seniors and disabled homeowners with incomes up to \$150,000 and an average benefit of \$199 for all other homeowners with incomes up to \$75,000.

- Provides \$14 billion in combined contributions for Pre-K through Grade 12 public education from the State budget and net lottery proceeds, the largest contribution in State history.
- Continues to invest in higher education with total support of nearly \$2.3 billion, including \$101.2 million from net lottery proceeds.
- Provides \$1 million for the College Readiness Now program to help students prepare for college level course work before they graduate high school.
- Continues the Administration's commitment to making New Jersey the leading state in the fight against drug addiction by investing \$452 million in State and federal funds towards prevention, treatment, recovery and re-entry programs and services.
- Budgets \$6 million to increase prison re-entry and recidivism programs, targeted to aid individuals with their transition back into the community.
- Commits to the Governor's belief that no life is disposable by including almost \$64 million in funding for New Jersey's mandatory drug court operations and treatment services to help nonviolent offenders reclaim their lives.
- Commits to helping all individuals with substance use disorders by investing \$4 million in the Mid-State Correctional Facility, which re-opened in April 2017, as an institution dedicated to the treatment of inmates.
- Includes approximately \$6.4 million in State, federal and dedicated funding for the Recovery Coach program, which reaches and connects drug overdose survivors with treatment, counseling and support services in the immediate aftermath of their overdose.
- Increases funding for the Recovery Dorms program by \$1 million, for a total of \$1.5 million, in order to increase on-campus housing that provides students with a sober environment, counseling and additional supports.
- Invests more than \$136 million combined State and federal funding to raise reimbursement rates and increase access to substance use and mental health treatment. The Governor's historic commitment will expand access to high quality health care providers for individuals with substance use and behavioral health needs.
- Builds on the Administration's commitment to individuals with developmental disabilities by increasing funding by \$79.7 million of combined State and federal funding for community placements and related services.

Where Does the Money Go?

The Programs and Services Behind the Fiscal 2018 Numbers

People Served/Items Purchased

Helping Those in Need



116,000,000	**	Subsidized School Lunches
8,600,000	**	Hunger Initiative - Food Purchased (lbs.)
2,441,585		Subsidized Drugs for Seniors and Disabled: PAAD Annual Prescriptions
1,584,342	*	Persons Receiving Health Care through NJ FamilyCare (Excludes CHIP)
345,328	*	Individuals Receiving Mental Health Services (Community Programs)
293,530		Energy Assistance - Tenants and Homeowners Served
278,093		Subsidized Drugs for Seniors and Disabled: Senior Gold Annual Prescriptions
220,165	**	Children Receiving Health Care through the Children's Health Insurance Program (CHIP)
174,822		Children Receiving Services from Division of Child Protection and Permanency (DCP&P)
91,351		Clients Receiving Addiction Services
47,995		Temporary Assistance to Needy Families - Recipients
25,561		Adults with Developmental Disabilities Served (Community Programs)
15,906		Adoption Subsidies/Foster Care: Average Daily Populations
4,400	*	State Rental Assistance - Families Served

Protecting the Public's Safety



926,500	*	State Police Investigations (Criminal, Accident and General)
224,288	*	Fire, Housing and Construction Code Inspections
102,000	*	State Police - Instances of Aid to Motorists
17,885	*	Inmates Supervised (Annual Average - Excludes Community Programs)
15,717		Parolees Supervised
1,500		Forest Fire Responses
1,240		State-owned Bridge Safety Inspections
691	*	Criminal Indictments Obtained - Criminal Justice

Preserving the Environment



17,500,000	**	Parks Visitors Served
10,100	*	Acres of Open Space Preserved:
5,100		Via Farmland Acres
5,000		Via Green Acres
6,233	*	Air and Water Pollution Inspections

People Served/Items Purchased



264,500	**	Women, Infants, and Children – Health Care Recipients
206,000		Children Screened for Lead Poisoning
93,250		Number of Licensed Long Term Care Beds/Slots
82,000	**	HIV/AIDS Clients Tested and Counseled
63,000	*	Homes Tested for Radon
19,500	**	Breast Cancer and Cervical Cancer Screenings
3,200		Helicopter Response Missions for Traumatic Injuries
840	*	Long Term Care Facilities Licensed

Protecting the Public's Health



464,100		Average Daily Mass Transit Ridership
13,350		Miles of Roads Maintained
7,700		Emergency and After-Hour Call Responses
2,950	*	Traffic Signals Maintained
925		Highway Lanes Under Construction
610		Lane Miles Resurfaced

Transportation Services



586,121		State Professional Boards - Total Regulated Licenses
115,000		Insurance Licenses Issued
106,911		Business Formations Initiated
95,000		Real Estate Brokers and Salespersons Licensed
6,100		Banking Licenses Issued

Serving Businesses



1,465,676	*	Standardized Tests Administered
1,407,384		Total Enrollment (Public School System)
778,470		Pupils Transported - Public/Nonpublic
206,194		Special Ed Enrollment
140,553		Kindergarten/Preschool Enrollment
46,116		Charter School Enrollment

Educating Our Children

People Served/Items Purchased



126,848
76,264
2,360

Higher Education Student Assistance

New Jersey College Loans to State Students (NJCLASS)
Tuition Aid Grants (TAG, Full and Part-Time)
NJ Student Tuition Assistance Reward Scholarship
(NJSTARS I & II) Grants



592,800
189,800
163,300
38,700

Direct Property Tax Relief

Homestead Benefit Program (Recipients)
Veterans Claiming a Property Tax Deduction
Senior and Disabled Property Tax Freeze (Recipients)
Seniors and Disabled Claiming a Property Tax Deduction



30,379 *
6,700
6,575
1,461

Protecting our Residents

Mental Health Advocacy - Representation of Individuals at
Civil Commitment Hearings - New Cases
Elder Advocacy - On-Site Investigations Regarding
Care/Abuse/Neglect or Patient Funds
Elder Advocacy - Nursing Home/Boarding Home/Other
Facility Visits
Rate Counsel - Representation of Ratepayers on Cases
Involving Utilities and Cable Television

* Data reported is related to a Key Performance Indicator in the Core Mission Summaries section of the Citizen's Guide.

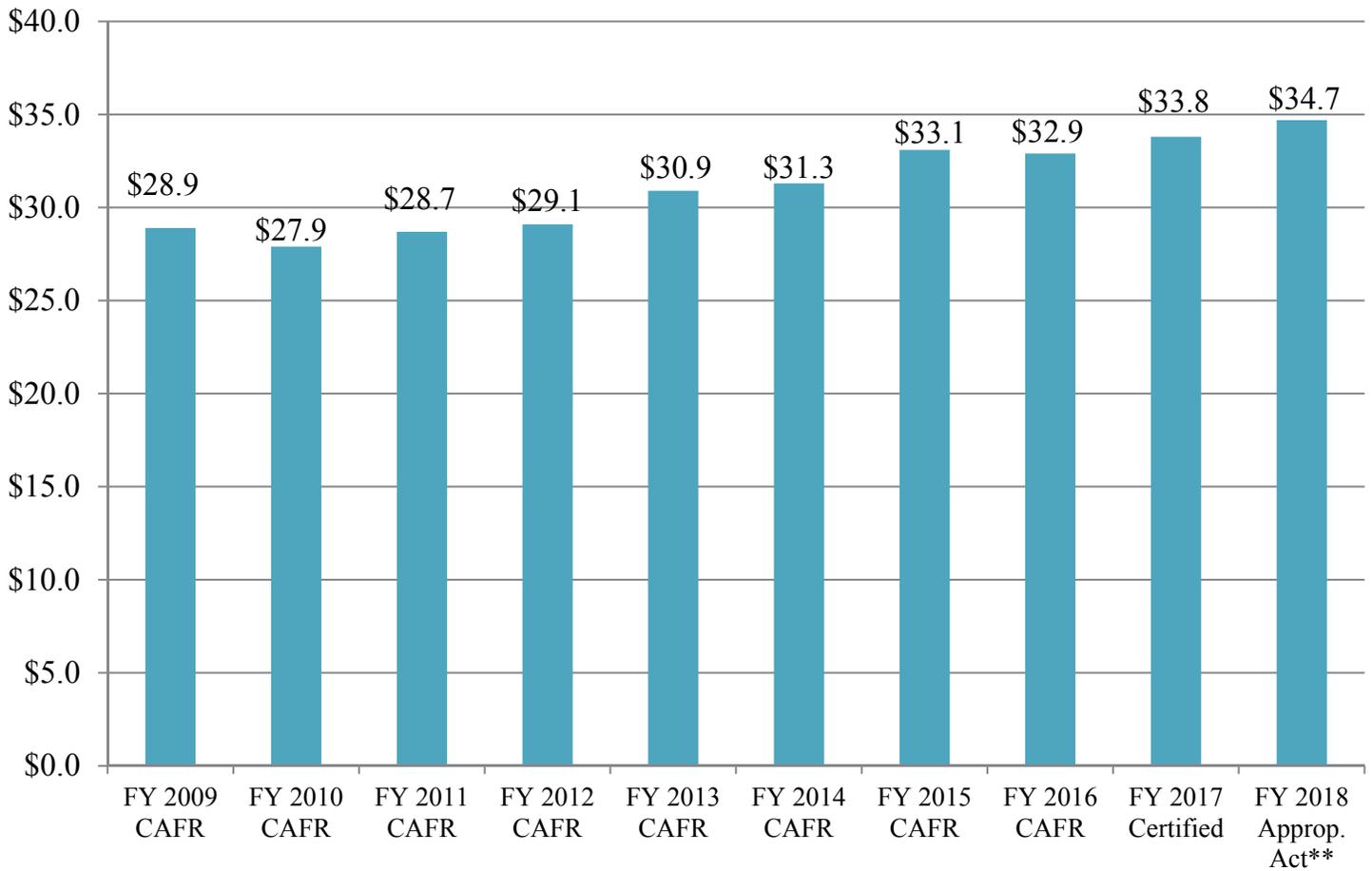
** Data reported is also published as a Key Performance Indicator in the Core Mission Summaries section of the Citizen's Guide.

Chapter 2: Charts and Graphs

History of Total Revenues*

FY 2018 Reflects Ongoing Recovery

(In Billions)



* Not including federal stimulus aid.

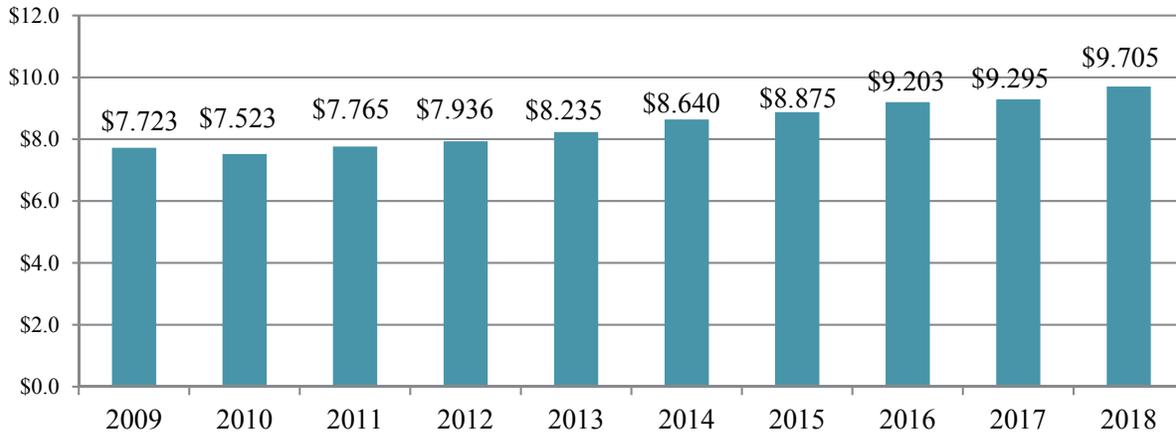
** Excludes \$1 billion in revenues from the Lottery Enterprise Contribution Act dedicated to pension payments.

CAFR – Comprehensive Annual Financial Report

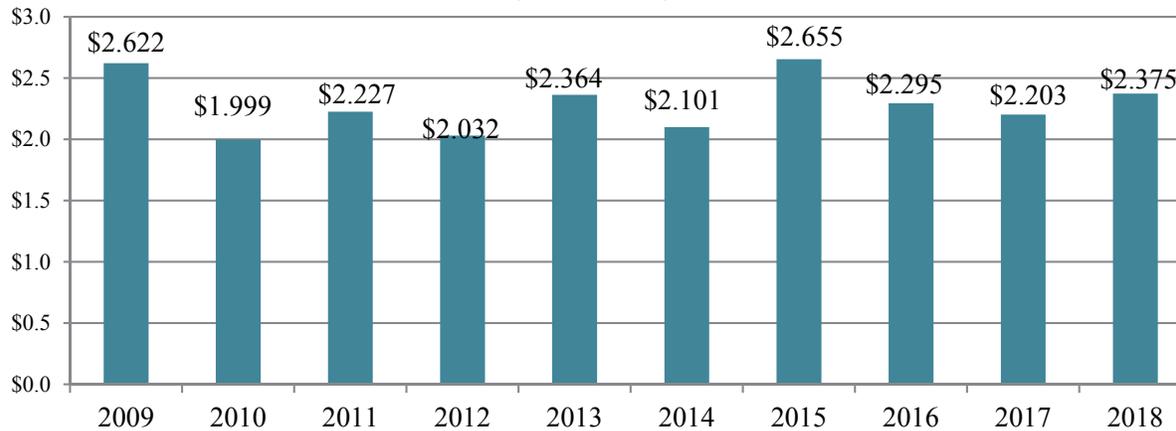
Income Tax (In Billions)



Sales Tax (In Billions)



Corporation Business Tax (In Billions)



FY2009-FY2016 revenue are as of the CAFR, FY2017 is Certified, and FY2018 is as of the Approp. Act. Sales Tax and Corporation Business Tax excludes the tax on energy.

FY 2018 Appropriations Act

(In Millions)

	FY 2017	FY 2018		
	<u>June Revised</u>	<u>Budget</u>	<u>May Testimony</u>	<u>Approp. Act</u>
Opening Budgetary Surplus	\$ 482	\$ 491	\$ 452	\$ 434
Open Space Reserve*	40	115	73	73
Revenues				
Income	\$ 13,838	\$ 14,435	\$ 14,382	\$ 14,382
Sales	9,295	9,451	9,710	9,705
Corporate	2,203	2,595	2,375	2,375
Other**	8,843	10,041	10,259	9,196
Gas Tax Reserve***	(335)	(927)	(940)	(940)
Total Revenues	<u>\$ 33,844</u>	<u>\$ 35,595</u>	<u>\$ 35,786</u>	<u>\$ 34,718</u>
Lapses	820	-	-	-
Total Resources	<u>\$ 35,186</u>	<u>\$ 36,201</u>	<u>\$ 36,311</u>	<u>\$ 35,225</u>
Appropriations				
Original	\$ 34,509	\$ 35,514	\$ 35,722	\$ 34,670
Supplemental	170	-	-	-
Total Appropriations**	<u>\$ 34,679</u>	<u>\$ 35,514</u>	<u>\$ 35,722</u>	<u>\$ 34,670</u>
Open Space Reserve*	(73)	(194)	(146)	(146)
Budgetary Fund Balance	<u>\$ 434</u>	<u>\$ 493</u>	<u>\$ 443</u>	<u>\$ 409</u>

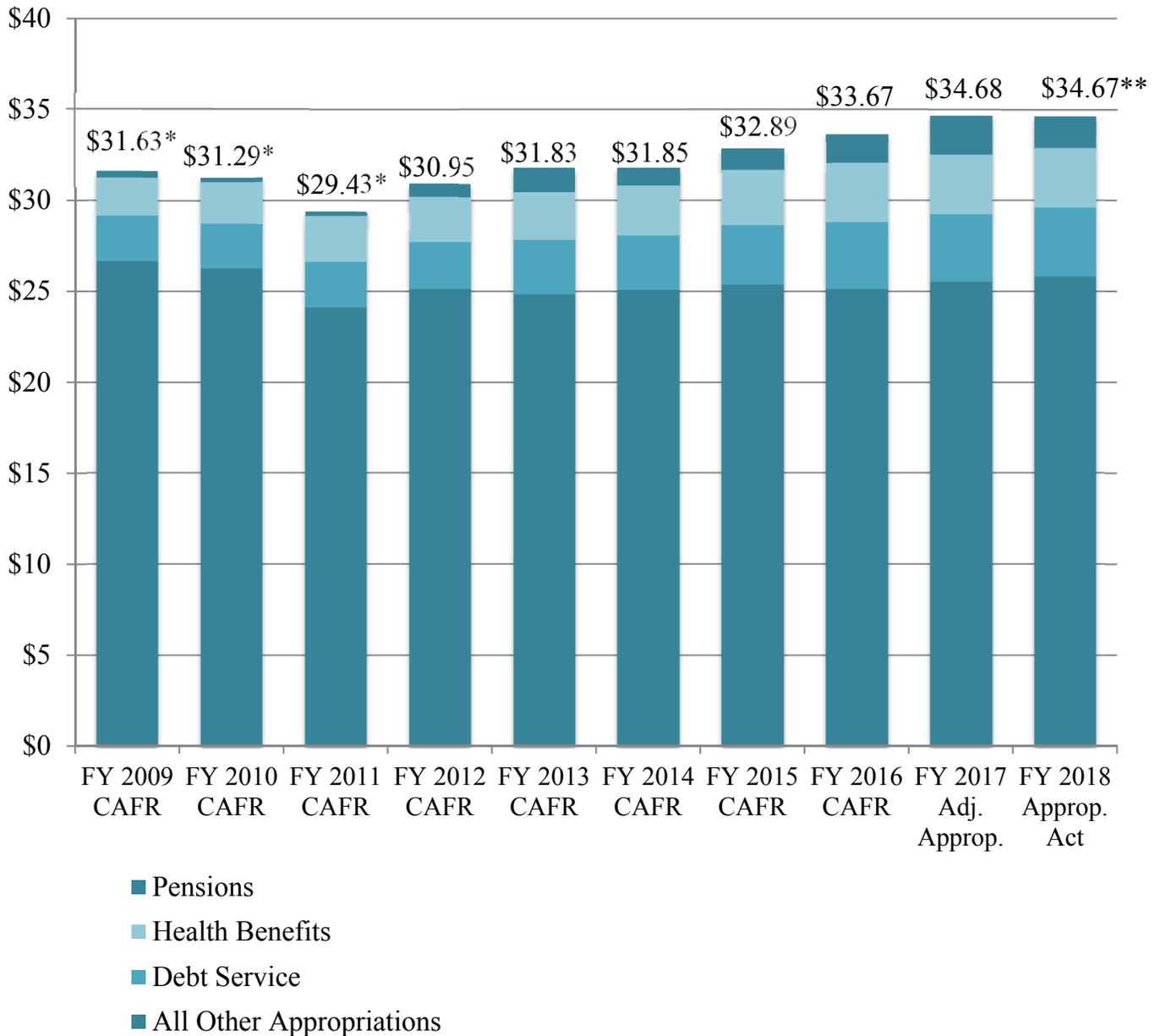
*Open Space funding from the constitutional dedication of Corporate Business Tax revenues is not part of the annual Appropriations Act and is separately appropriated by the Legislature. Appropriated amounts will be moved from reserve and reflected as a supplemental appropriation.

** FY 2018 Appropriations Act amount excludes \$1 billion in revenues and pension contributions funded from the Lottery Enterprise Contribution Act.

***Represents the amount of constitutionally dedicated Petroleum Products Gross Receipts Tax in excess of the required debt service payments for Transportation Trust Fund Authority projects that will be appropriated separately for pay-as-you-go products.

Christie Administration Continues to Control Core Spending

(In Billions)



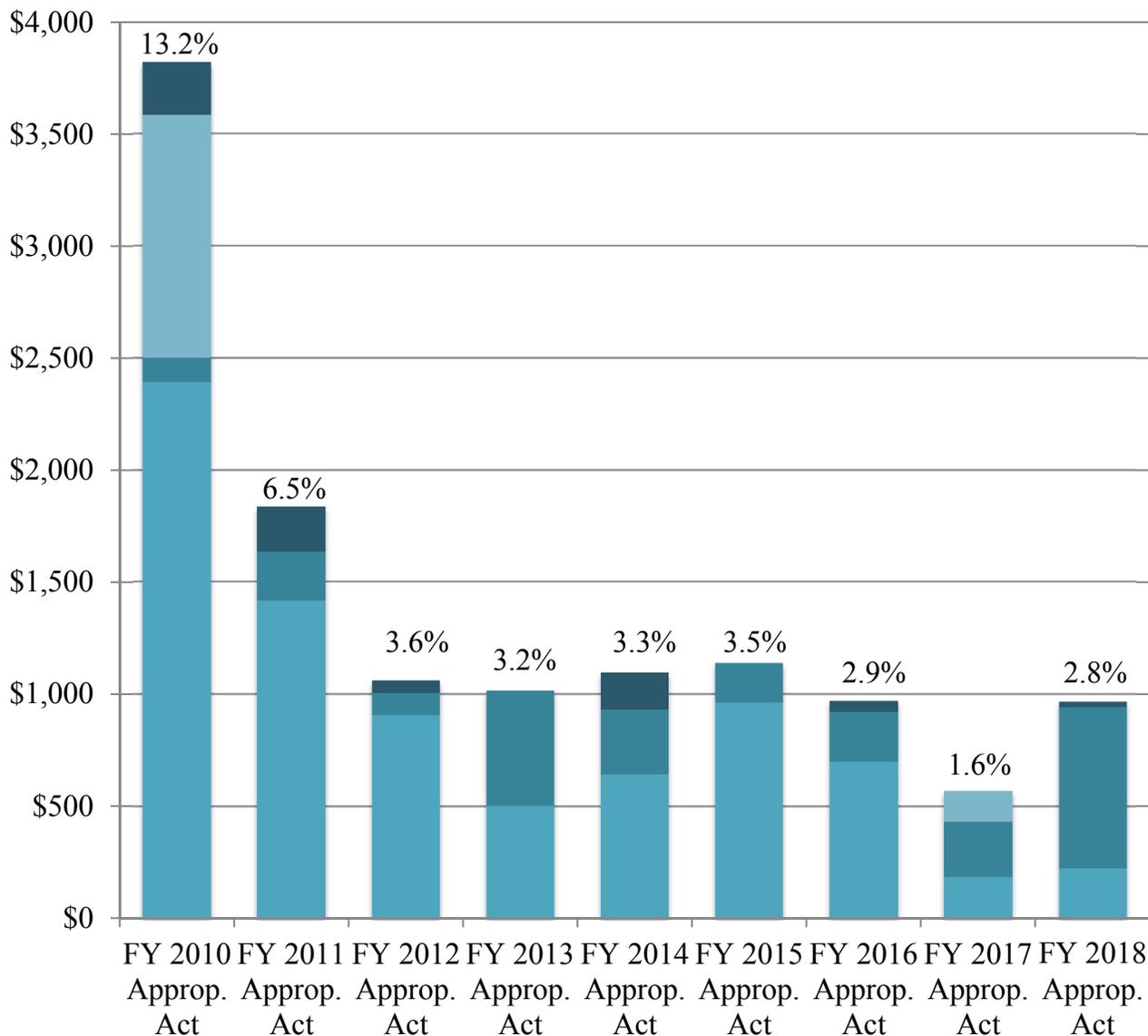
* Includes federal stimulus-supported expenditures that would have otherwise been State-supported expenditures.

** Excludes \$1 billion in pension payments funded from the Lottery Enterprise Contribution Act.

Reliance on Non-Recurring Resources Reduced From 13.2% to 2.8%

FY 2010 to FY 2018

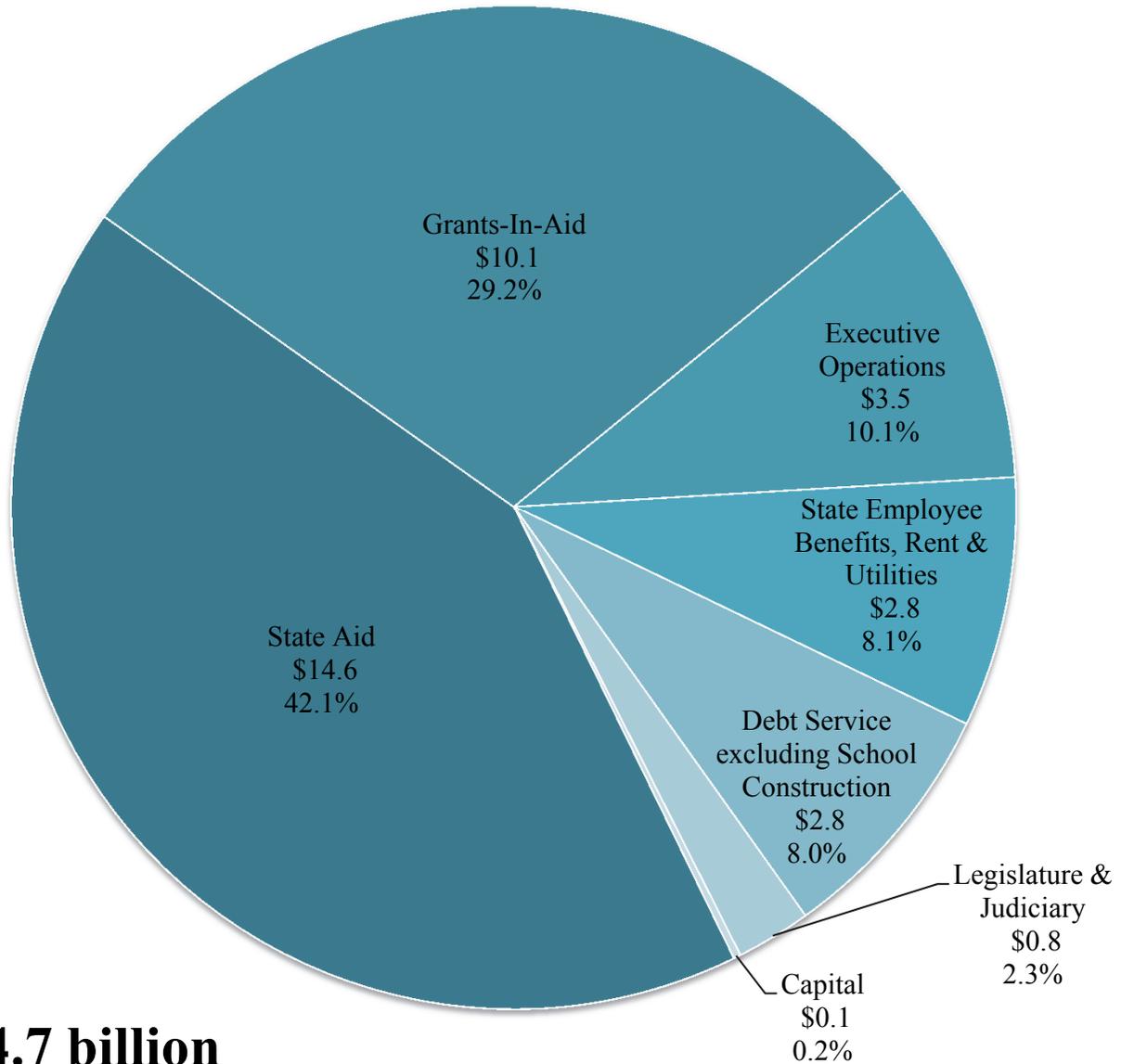
(In Millions)



- Spend Down Opening Surplus
- Tax Policy Changes
- Revenue Initiatives
- Appropriations Offsets

Building the FY 2018 Budget*

(In Billions)



\$34.7 billion

Executive Operations: includes adult prison and juvenile facilities, State Police and law enforcement, children and families, human services institutions and veterans' homes.

Grants-In-Aid: includes property tax relief programs, NJ FamilyCare, PAAD, nursing home and long-term services and supports, and support for higher education.

State Aid: includes education aid programs, school construction debt, municipal aid, general assistance and aid to county colleges.

* Excludes \$1 billion in pension contributions funded from the Lottery Enterprise Contribution Act.

FY 2018 Appropriations Act Details

(In Thousands)

Department	FY 2017	FY 2018	Change	
	Adjusted Approp.	Approp. Act	\$	%
Chief Executive	\$ 6,736	\$ 6,736	-	-
Agriculture	20,017	19,787	(230)	(1.1)
Banking and Insurance	64,013	64,013	-	-
Children and Families	1,130,890	1,159,005	28,115	2.5
Community Affairs	841,588	837,629	(3,959)	(0.5)
Corrections	1,053,175	1,050,926	(2,249)	(0.2)
Education	11,155,515	11,345,089	189,574	1.7
Environmental Protection	310,120 *	275,587 *	(34,533)	(11.1)
Health	515,998	586,554	70,556	13.7
Human Services	6,448,401	6,584,903	136,502	2.1
Labor and Workforce Development	168,226	168,056	(170)	(0.1)
Law and Public Safety	596,953	590,896	(6,057)	(1.0)
Military and Veterans' Affairs	97,554	95,678	(1,876)	(1.9)
State	1,284,440	1,323,073	38,633	3.0
Transportation	1,546,254	1,513,978	(32,276)	(2.1)
Treasury	1,511,036	1,336,234	(174,802)	(11.6)
Miscellaneous Commissions	776	776	-	-
Total Executive Branch	\$ 26,751,692	\$ 26,958,920	207,228	0.8
Interdepartmental	4,320,645	4,377,860	57,215	1.3
Local Pensions and Health Benefits - Education and Treasury	2,445,969	2,170,272	(275,697)	(11.3)
General Obligation Debt Service - Environmental Protection and Treasury	340,834	326,370	(14,464)	(4.2)
Legislature	81,673	79,136	(2,537)	(3.1)
Judiciary	738,455	757,755	19,300	2.6
Total Appropriations	\$ 34,679,268	\$ 34,670,313 **	(8,955)	(0.0)

* FY 2017 includes approximately \$35 million in constitutionally-dedicated Corporate Business Tax (CBT) funds for open space purposes. FY 2018 does not include open space funds, as they will be appropriated at a later date via standalone legislation.

** FY 2018 excludes \$1 billion in pension contributions funded from the Lottery Enterprise Contribution Act.

Direct State Services By Department

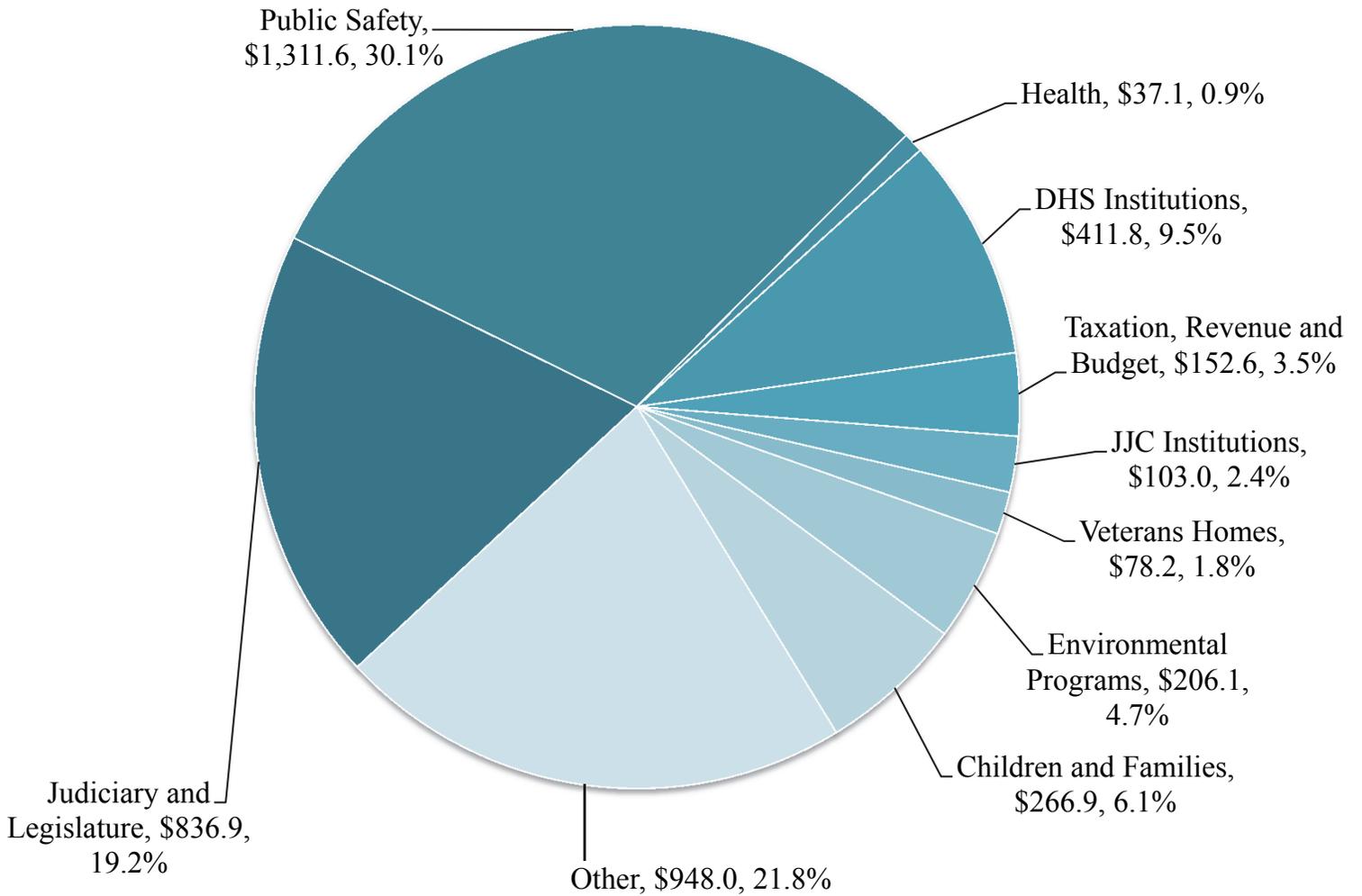
(In Thousands)

Department	FY 2017	FY 2018	Change	
	Adjusted Approp.	Approp. Act	\$	%
Chief Executive	\$ 6,736	\$ 6,736	-	-
Agriculture	7,583	7,353	(230)	(3.0)
Banking and Insurance	64,013	64,013	-	-
Children and Families	261,871	266,871	5,000	1.9
Community Affairs	41,038	40,744	(294)	(0.7)
Corrections	920,814	919,265	(1,549)	(0.2)
Education	90,422	77,934	(12,488)	(13.8)
Environmental Protection	208,680	206,142	(2,538)	(1.2)
Health	42,384	37,122	(5,262)	(12.4)
Human Services	583,537	587,712	4,175	0.7
Labor and Workforce Development	94,684	94,514	(170)	(0.2)
Law and Public Safety	565,309	550,852	(14,457)	(2.6)
Military and Veterans' Affairs	94,890	93,264	(1,626)	(1.7)
State	33,227	31,373	(1,854)	(5.6)
Transportation	91,044	43,788	(47,256)	(51.9)
Treasury	494,609	486,865	(7,744)	(1.6)
Miscellaneous Commissions	776	776	-	-
Total Executive Branch	\$ 3,601,617	\$ 3,515,324	(86,293)	(2.4)
Interdepartmental *	2,991,208	3,085,512	94,304	3.2
Legislature	81,673	79,136	(2,537)	(3.1)
Judiciary	738,455	757,755	19,300	2.6
Total Direct State Services	\$ 7,412,953	\$ 7,437,727	\$ 24,774	0.3

* FY 2018 excludes \$123.2 million in pension contributions funded from the Lottery Enterprise Contribution Act. Including that component, the total pension contributions for State Employees represents 26% of the FY 2018 Interdepartmental Direct State Services budget.

FY 2018 State Operating Budget

(In Millions)



Total State Operating Budget is \$4.3 billion

The State Operating Budget excludes fringe benefits and other centrally budgeted costs.

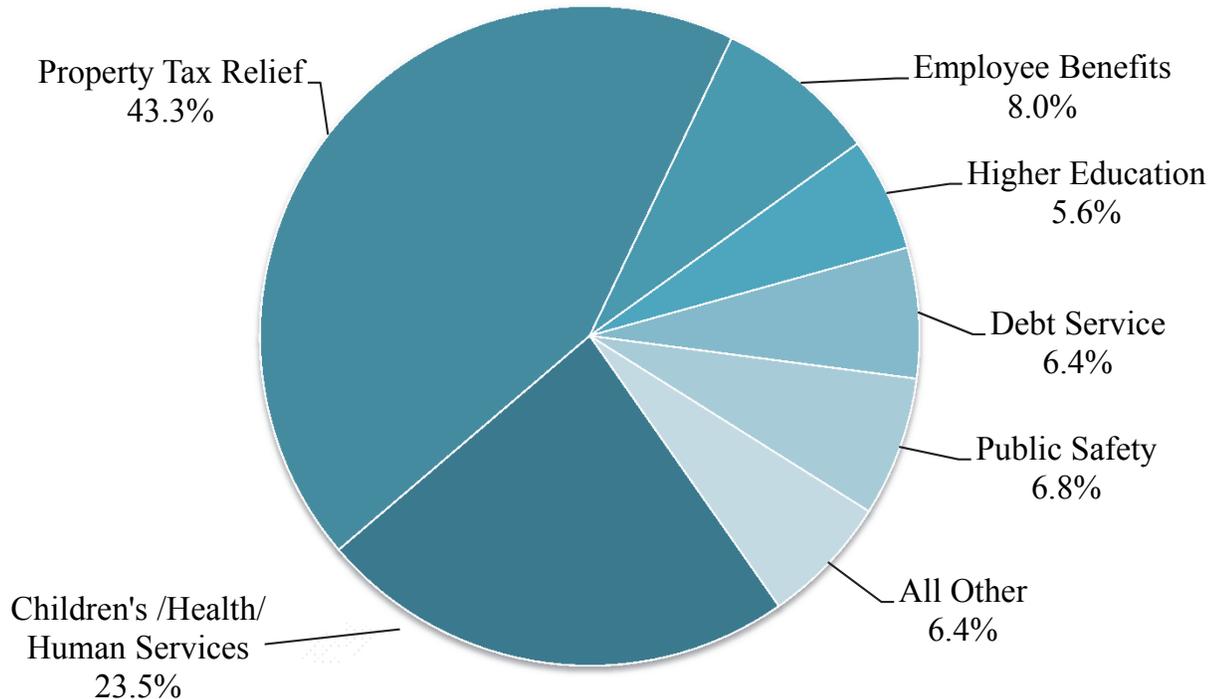
Funding for Property Tax Relief

(In Millions)

<u>Programs</u>	<u>FY 2017 Adjusted Approp.</u>	<u>FY 2018 Approp. Act</u>	<u>Change</u>
School Aid (included in Appropriations Act)	\$ 13,313.9	\$ 13,218.5	\$ (95.4)
Additional School Aid from Lottery	-	776.6	776.6
Enterprise Contribution Act			
Municipal Aid	1,529.9	1,528.6	(1.3)
Property Taxpayer Relief Programs	1,045.3	865.5 *	(179.8)
Other Local Aid	905.2	1,162.8	257.6
Total Property Tax Relief	\$ 16,794.3	\$ 17,552.0	\$ 757.7

*FY 2018 continues most programs unaltered. The reduction in funding is primarily the result of the legislative decision to provide half of the Homestead Benefit in FY 2018.

Property Tax Relief is Almost Half the Total Budget*



* The FY 2018 Total Budget excludes \$1 billion in pension contributions from the Lottery Enterprise Contribution Act.

School Aid

(In Millions)

	FY 2017 Adjusted Approp.	FY 2018 Approp. Act	Change
Aid to Schools			
Formula Aid	\$ 7,890.5	\$ 7,990.5	\$ 100.0
Preschool Education Aid	655.5	655.5	-
Preschool Education Expansion Aid	-	25.0	25.0
School Choice Aid	53.7	55.0	1.3
Under Adequacy Aid	16.8	16.8	-
Supplemental Enrollment Growth Aid	4.1	4.1	-
Professional Learning Community Aid	13.4	13.4	-
Commercial Valuation Stabilization Aid	32.0	32.0	-
Extraordinary Special Education Aid	170.0	195.0	25.0
School Building Aid	46.0	40.6	(5.4)
Debt Service Aid	72.5	89.9	17.4
Other Aid	230.1	242.9	12.8
Total Aid to Schools	\$ 9,184.6	\$ 9,360.7	\$ 176.1
Direct State Payments for Education			
Teachers' Pension and Annuity Fund	\$ 1,125.2	\$ 758.2	\$ (367.0)
Post Retirement Medical	1,126.7	1,196.3	69.6
Debt Service on Pension Obligation Bonds	210.8	226.2	15.4
Teachers' Social Security	768.3	758.4	(9.9)
Total Direct State Payments for Education	\$ 3,231.0	\$ 2,939.0	\$ (292.0)
School Construction Debt Service	\$ 898.3	\$ 918.8	\$ 20.5
Total School Aid (included in Appropriations Act)	\$ 13,313.9	\$ 13,218.5	\$ (95.4)
Additional Support from Lottery Enterprise Contribution Act	\$ -	\$ 776.6	\$ 776.6
Grand Total School Aid	\$ 13,313.9	\$ 13,995.1	\$ 681.2

Property Taxpayer Relief Programs

(In Millions)

	FY 2017 Adjusted Approp.	FY 2018 Approp. Act	Change
Property Tax Deduction Act	\$ 455.8	\$ 459.5	\$ 3.7
Homestead Benefit Program	322.5	147.3	(175.2)
Senior/Disabled Citizens' Property Tax Freeze	204.9	200.3	(4.6)
Veterans' Property Tax Deductions	51.2	48.5	(2.7)
Senior/Disabled Citizens' Property Tax Deductions	10.9	9.9	(1.0)
Total Property Taxpayer Relief Programs	\$ 1,045.3	\$ 865.5	\$ (179.8) *

* FY 2018 continues most programs unaltered. The reduction in funding is primarily the result of the legislative decision to provide a reduced Homestead Benefit in FY 2018.

Municipal Aid

(In Millions)

	FY 2017 Adjusted Approp.	FY 2018 Approp. Act	Change
	<u> </u>	<u> </u>	<u> </u>
Consolidated Municipal Property Tax Relief Aid (CMPTRA) / Energy Tax Receipts	\$ 1,411.6	\$ 1,427.7	\$ 16.1
Transitional Aid to Localities	107.4	87.0	(20.4)
Open Space Payments In Lieu of Taxes (PILOT)	6.5	6.5	-
Highlands Protection Fund Aid	4.4	4.4	-
Meadowlands Tax-Sharing Payments	<u>-</u>	<u>3.0</u>	<u>3.0</u>
Total Municipal Aid	<u>\$ 1,529.9</u>	<u>\$ 1,528.6</u>	<u>\$ (1.3)</u>

Higher Education

(In Thousands)

	Adjusted Approp.	FY 2018 Approp. Act	Change \$	%
Senior Public Institutions				
Rutgers University	\$ 394,984	\$ 398,984	4,000	1.0
New Jersey Institute of Technology	35,440	45,440	10,000	28.2
Thomas Edison State University	3,292	4,292	1,000	30.4
Rowan University	87,883	87,883	-	-
New Jersey City University	24,154	24,154	-	-
Kean University	30,469	30,469	-	-
William Paterson University	30,357	30,357	-	-
Montclair State University	35,859	35,859	-	-
College of New Jersey	27,177	27,177	-	-
Ramapo College of New Jersey	14,953	14,953	-	-
Stockton University	18,391	18,391	-	-
Subtotal Senior Publics Direct Aid	\$ 702,959	\$ 717,959	15,000	2.1
Senior Publics Net Fringe Benefits	693,644	627,601	(66,043)	(9.5)
Total Senior Public Institutions	\$ 1,396,603	\$ 1,345,560	(51,043)	(3.7)
County Colleges				
Operating Support ^(a)	\$ 134,123	\$ 134,123	-	-
Fringe Benefits	52,008	53,855	1,847	3.6
Chapter 12 Debt Service	36,723	35,630	(1,093)	(3.0)
Total County Colleges	\$ 222,854	\$ 223,608	754	0.3
Total Independent Colleges & Universities	\$ 1,000	\$ 1,000	-	-
Student Financial Assistance				
Tuition Aid Grants	\$ 403,647	\$ 425,859	22,212	5.5
Part-Time Tuition Aid Grants for County Colleges	8,737	8,737	-	-
NJSTARS I & II	6,907	6,907	-	-
EOF Grants and Scholarships	42,387	43,822	1,435	3.4
Governor's Urban Scholarship Program	945	945	-	-
Other Student Aid Programs	2,260	2,260	-	-
Total Student Financial Assistance	\$ 464,883	\$ 488,530	23,647	5.1
Other Programs				
Debt Service	\$ 101,772	\$ 106,790	5,018	4.9
All other programs	17,316	20,898	3,582	20.7
Total Other Programs	\$ 119,088	\$ 127,688	8,600	7.2
Total Higher Education Support (included in Appropriations Act)	\$ 2,204,428	\$ 2,186,386	(18,042)	(0.8)
Additional Support from Lottery Enterprise Contribution Act ^(b)	\$ -	\$ 101,175	101,175	-
Grand Total Higher Education	\$ 2,204,428	\$ 2,287,561	83,133	3.8

Notes:

(a) Includes funding from the Supplemental Workforce Fund for Basic Skills of \$18.8 million in FY 2017 and \$23.8 million in FY 2018.

(b) Supports fringe benefits of State-supported employees at Senior Public Institutions and County Colleges.

Hospital Funding

State and Federal

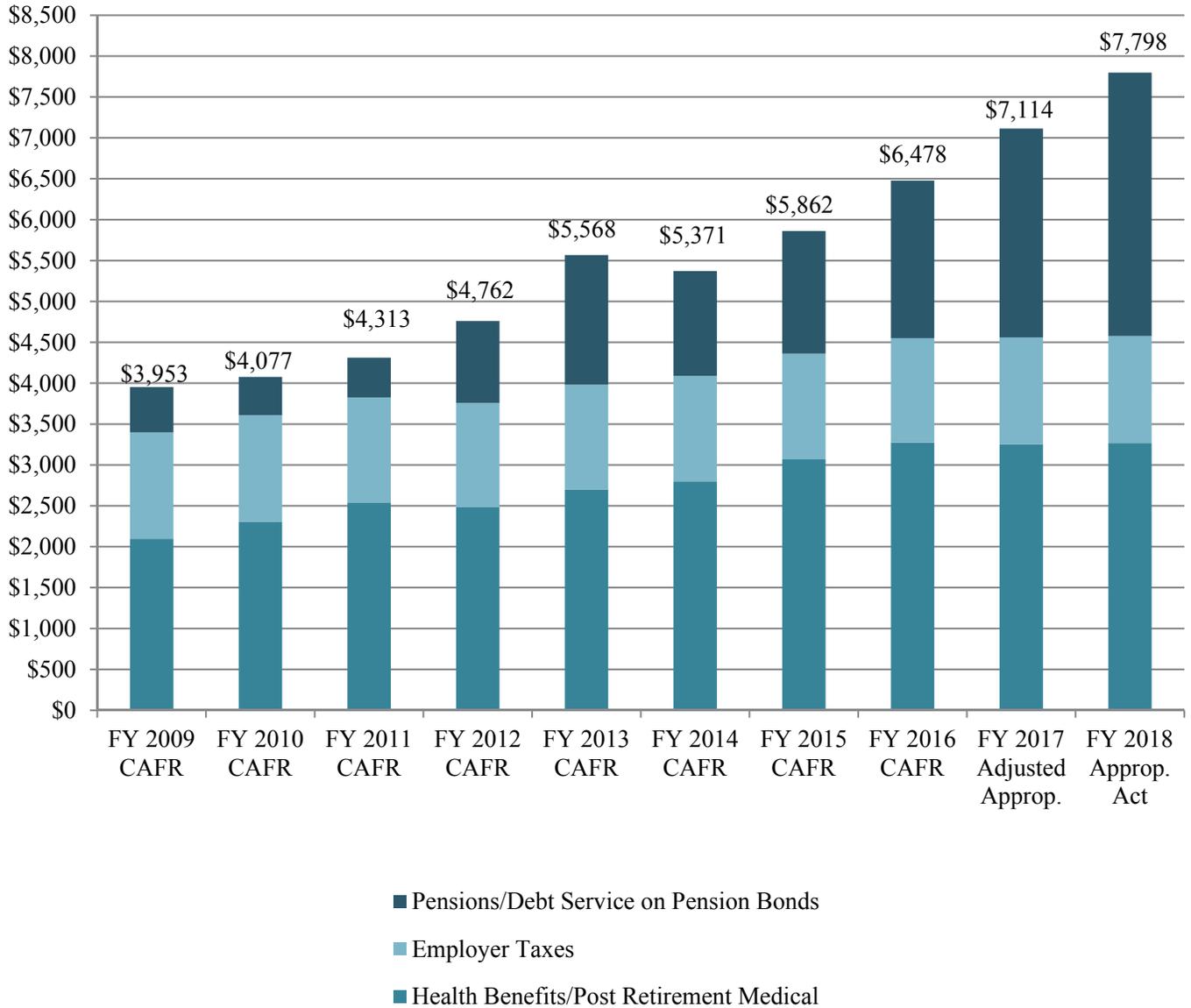
(In Millions)

	FY 2017 Adjusted Approp.	FY 2018 Approp. Act
Charity Care	\$ 302.0	\$ 252.0
Graduate Medical Education	188.0	218.0
Delivery System Reform Incentive Payments	166.6	166.6
Hospital Mental Health Offset Payments	24.7	24.7
University Hospital	43.8	43.8
Total Hospital Funding	\$ 725.1	\$ 705.1

It is anticipated that the FY 2018 decrease in Charity Care will be offset by insurance payments that hospitals will receive on behalf of residents who now have health care coverage through the expanded NJ FamilyCare program and the federal marketplace.

Employee Benefit Costs

(In Millions)

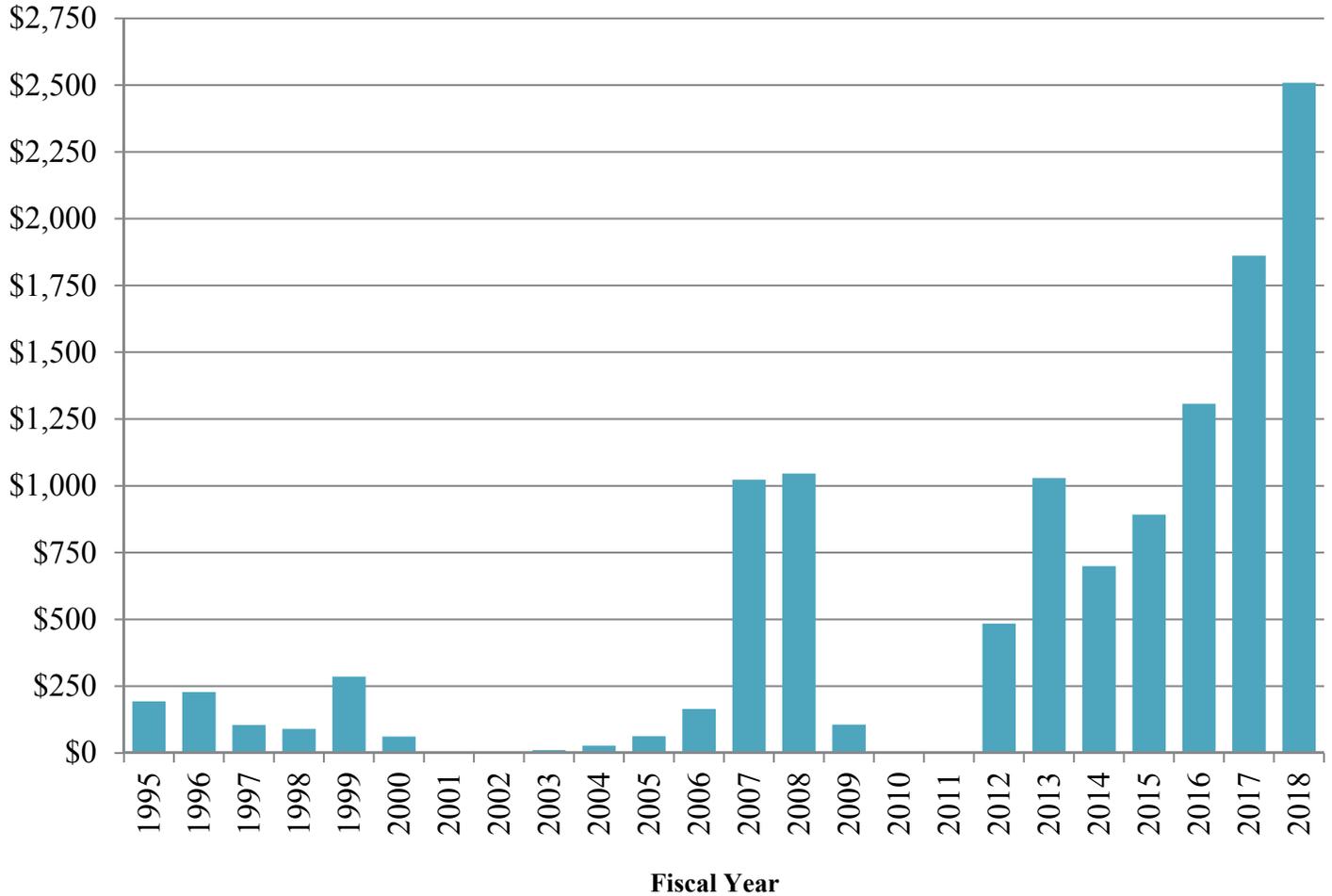


* The FY 2018 Appropriations Act does not include \$1 billion in pension contributions from the Lottery Enterprise Contribution Act. Including this amount, Employee Benefit Costs total \$8.898 billion.

Historical Pension Contributions

(In Millions)

Defined Benefit Pension Contribution*



* Pension contribution amounts from FY 1995 to FY 2005 include funding for non-contributory life insurance; life insurance costs are not included thereafter.

The FY 2018 defined benefit pension contribution funds 5/10ths of the actuarially determined contribution (ADC), including \$1 billion in contributions from the Lottery Enterprise Contribution Act, for a total \$2.509 billion contribution.

Pension Contribution History

(In Thousands)

Governor	Fiscal Year	Defined Benefit Pension Contribution (a)
Whitman	1995	\$ 193,342
Whitman	1996	227,916
Whitman	1997 (b)	104,616
Whitman	1998	90,194
Whitman	1999	286,203
Whitman	2000	61,663
Whitman	2001	-
	Cumulative Totals	\$ 963,934
DiFrancesco	2002	\$ 563
	Cumulative Totals	\$ 563
McGreevey	2003	\$ 11,181
McGreevey	2004 (c)	27,520
McGreevey	2005	62,723
	Cumulative Totals	\$ 101,424
Codey	2006	\$ 165,026
	Cumulative Totals	\$ 165,026
Corzine	2007	\$ 1,023,192
Corzine	2008	1,046,136
Corzine	2009	106,268
Corzine	2010	-
	Cumulative Totals	\$ 2,175,596
Christie	2011	\$ -
Christie	2012	484,484
Christie	2013	1,029,296
Christie	2014	699,379
Christie	2015	892,634
Christie	2016	1,307,104
Christie	2017	1,861,608
Christie	2018 (d)	2,509,100
	Cumulative Totals	\$ 8,783,605

(a) Pension contribution amounts from FY 1995 to FY 2005 include funding for non-contributory life insurance; life insurance costs are not included thereafter.

(b) As of June 30, 1997, \$2.75 billion in proceeds from the issuance of Pension Obligation Bonds was contributed to the State funded pension systems. Additionally, corresponding legislation enacted authorized the use of excess assets in the systems to fund any contribution requirements going forward.

(c) Between FY 1997 and FY 2003 excess assets were used to offset pension contributions. Beginning in FY 2004, after excess assets were exhausted in most pension funds, the State was to resume making full pension contributions. For FY 2004, FY 2005 and FY 2006 funds accumulated to support enhanced benefits were diverted to cover a phase-in of contributions for PERS and TPAF.

(d) FY 2018 funds 5/10ths of the actuarially determined contribution (ADC), including \$1 billion in contributions from the Lottery Enterprise Contribution Act.

Funding Sources for Defined Benefit Pension Payment (In Thousands)

Retirement System	FY 2018	FY 2018	FY 2018
	General Fund Contribution	Lottery Enterprise Act Contribution	Total Contribution
Public Employees' Retirement System	\$ 451,752	\$ 210,405	\$ 662,157
Teachers' Pension and Annuity Fund	721,230	778,560	1,499,790
Police and Firemen's Retirement System	239,446	12,012	251,458
State Police Retirement System	72,104	-	72,104
Judicial Retirement System	23,266	-	23,266
Consolidated Police and Firemen's Pension Fund	325	-	325
Total Contribution:	\$ 1,508,123	\$ 1,000,977	\$ 2,509,100

State Workforce

	ADMIN START	PP 14	Change
	01/30/10	6/30/2017	
AGRICULTURE	215	198	(17)
BANKING AND INSURANCE	423	449	26
CHIEF EXECUTIVE OFFICE	118	80	(38)
CHILDREN & FAMILIES	6,929	6,634	(295)
COMMUNITY AFFAIRS	1,055	859	(196)
CORRECTIONS (Balance)	8,881	7,903	(978)
- Parole Board	679	572	(107)
EDUCATION	806	720	(86)
ENVIRONMENTAL PROTECTION	2,710	2,651	(59)
- CBT Dedication	244	0	(244)
HEALTH	1,770	1,076	(694)
HUMAN SERVICES (Total)	15,169	11,141	(4,028)
- Management and Budget	369	523	154
- Medical Assistance	468	422	(46)
- Disability Services	33	18	(15)
- Family Development	377	297	(80)
- Commission for the Blind and Visually Impaired	301	264	(37)
- Deaf and Hard of Hearing	10	5	(5)
- Developmental Disabilities	8,730	4,920	(3,810)
- Mental Health and Add. Svcs.	4,881	4,387	(494)
- Div of Aging	0	305	305
LABOR AND WORKFORCE DEVELOPMENT (Balance)	3,133	2,618	(515)
- Public Employee Relations Commission	32	32	0
- Civil Service Commission	235	234	(1)
LAW AND PUBLIC SAFETY (Balance)	3,899	3,270	(629)
- State Police	3,001	2,760	(241)
-Office of Homeland Security and Preparedness	95	96	1
- Election Law Enforcement Commission	70	68	(2)
- State Ethics Commission	12	10	(2)
- Juvenile Justice	1,563	1,104	(459)
- Division of Gaming	222	228	6
MILITARY AND VETERANS' AFFAIRS	1,487	1,412	(75)
STATE (Balance)	340	139	(201)
- Secretary of Higher Education	16	18	2
- Student Assistance	169	135	(34)
TRANSPORTATION	3,357	3,177	(180)
- Motor Vehicle Commission	2,328	2,069	(259)
TREASURY (Balance)	3,405	3,061	(344)
- Office of State Comptroller	90	130	40
- Casino Control Commission	279	38	(241)
- Office of Administrative Law	101	91	(10)
- Office of Information Technology	807	724	(83)
- Public Defender	1,048	1,214	166
- Board of Public Utilities	266	218	(48)
MISCELLANEOUS COMMISSIONS	2	1	(1)
SUBTOTAL EXECUTIVE BRANCH	64,956	55,130	(9,826)
LEGISLATURE	461	438	(23)
- SCI	53	46	(7)
JUDICIARY	9,128	8,855	(273)
GRAND TOTAL	74,598	64,469	(10,129)

Comparison of Appropriations Acts to Prior Year Adjusted Appropriations (In Millions)

Fiscal Year	Approp. Act	Prior Year Adjusted Approp (a)	Change	
			\$	%
2018	\$ 34,670 (b)	\$ 34,680	(9.2)	(0.0)
2017	34,509.4	33,945.8	563.6	1.7
2016	33,785.2	33,134.6 (c)	650.6	2.0
2015	32,537.8	33,229.6 (d)	(691.8)	(2.1)
2014	32,977.0	31,728.8	1,248.2	3.9
2013	31,655.0	30,800.5 (e)	854.5	2.8
2012	30,164.6 (e)	30,333.5 (f)	(168.9)	(0.6)
2011	29,397.5 (f)	31,199.8 (f)	(1,802.3)	(5.8)
2010	31,245.8 (f)	33,060.6 (f)	(1,814.8)	(5.5)
2009	32,868.5	34,580.6	(1,712.1)	(5.0)
2008	33,470.9	31,020.5	2,450.4	7.9
2007	30,818.7	28,087.7	2,731.0	9.7
2006	27,919.9	28,644.8	(724.9)	(2.5)
2005	28,027.3	24,569.1	3,458.2	14.1
2004	24,003.2	23,726.4	276.8	1.2
2003	23,401.7	23,218.6	183.1	0.8
2002	22,920.7	21,842.8	1,077.9	4.9
2001	21,419.7	20,163.5	1,256.2	6.2
2000	19,514.4	18,482.3	1,032.1	5.6
1999	18,123.8	17,141.3	982.5	5.7
1998	16,786.6	16,256.7	529.9	3.3
1997	15,977.8	16,297.3	(319.5)	(2.0)
1996	15,994.6	15,528.7	465.9	3.0
1995	15,280.7	15,608.7	(328.0)	(2.1)
1994	15,466.9	14,737.5	729.4	4.9
1993	14,625.5	14,955.7	(330.2)	(2.2)
1992	14,651.5	12,638.8	2,012.7	15.9
1991	12,423.8	12,165.9	257.9	2.1
1990	11,995.0	11,904.1	90.9	0.8
1989	11,775.1	10,569.4	1,205.7	11.4
1988	10,396.5	9,355.9	1,040.6	11.1
1987	9,279.4	8,959.2	320.2	3.6
1986	8,681.2	7,946.1	735.1	9.3
1985	7,693.3	6,865.2	828.1	12.1
1984	6,771.8	6,289.5	482.3	7.7
1983	6,181.7	5,741.5	440.2	7.7
1982	5,691.3	5,151.3	540.0	10.5
1981	5,107.1	4,739.6	367.5	7.8
1980	4,652.1	4,436.6	215.5	4.9
1979	4,394.4	4,066.5	327.9	8.1
1978	4,010.6	3,486.2	524.4	15.0
1977	2,853.3	2,674.6	178.7	6.7
1976	2,698.1	2,794.4	(96.3)	(3.4)
1975	2,756.1	2,406.9	349.2	14.5
1974	2,385.7	2,090.5	295.2	14.1
1973	2,047.7	1,822.4	225.3	12.4
1972	1,779.3	1,616.6	162.7	10.1
1971	1,557.5	1,370.0	187.5	13.7
1970	1,334.4	1,136.8	197.6	17.4
1969	1,088.5	1,021.0	67.5	6.6
1968	992.7	888.2	104.5	11.8
1967	876.6	654.9	221.7	33.9
1966	639.4	592.9	46.5	7.8
1965	584.1	554.9	29.2	5.3
1964	543.8	505.9	37.9	7.5
1963	499.4	469.3	30.1	6.4
1962	467.2	437.2	30.0	6.9
1961	431.8	412.3	19.5	4.7
1960	405.1	395.9	9.2	2.3
1959	388.6	340.7	47.9	14.1
1958	342.5	324.2	18.3	5.6
1957	320.8	299.8	21.0	7.0
1956	284.4	247.7	36.7	14.8
1955	234.8	185.2	49.6	26.8
1954	219.7	211.9	7.8	3.7
1953	210.7	179.2	31.5	17.6
1952	176.8	168.6	8.2	4.9
1951	164.1	164.5	(0.4)	(0.2)

(a) Original Appropriations Act plus supplemental appropriations.

(b) Excludes \$1 billion in pension contributions funded from the Lottery Enterprise Contribution Act.

(c) Does not reflect \$36.9 million in deappropriations.

(d) Does not reflect \$883 million in lapses for Pensions.

(e) Includes \$468 million in FY 2012 debt service funded from FY 2011 resources.

(f) Includes federal stimulus aid used for budget relief that otherwise would have needed a State appropriation.

Comparison of Appropriations Acts

(In Millions)

Fiscal Year	Approp. Act	Change	
		\$	%
2018	\$ 34,670.3 *	160.9	0.0
2017	34,509.4	724.2	2.1
2016	33,785.2	1,247.4	3.8
2015	32,537.8	(439.2)	(1.3)
2014	32,977.0	1,322.0	4.2
2013	31,655.0	1,490.4	4.9
2012	30,164.6 **	767.1	2.6
2011	29,397.5 ***	(1,848.3)	(5.9)
2010	31,245.8 ***	(1,622.7)	(4.9)
2009	32,868.5	(602.4)	(1.8)
2008	33,470.9	2,652.2	8.6
2007	30,818.7	2,898.8	10.4
2006	27,919.9	(107.4)	(0.4)
2005	28,027.3	4,024.1	16.8
2004	24,003.2	601.5	2.6
2003	23,401.7	481.0	2.1
2002	22,920.7	1,501.0	7.0
2001	21,419.7	1,905.3	9.8
2000	19,514.4	1,390.6	7.7
1999	18,123.8	1,337.2	8.0
1998	16,786.6	808.8	5.1
1997	15,977.8	(16.8)	(0.1)
1996	15,994.6	713.9	4.7
1995	15,280.7	(186.2)	(1.2)
1994	15,466.9	841.4	5.8
1993	14,625.5	(26.0)	(0.2)
1992	14,651.5	2,227.7	17.9
1991	12,423.8	428.8	3.6
1990	11,995.0	219.9	1.9
1989	11,775.1	1,378.6	13.3
1988	10,396.5	1,117.1	12.0
1987	9,279.4	598.2	6.9
1986	8,681.2	987.9	12.8
1985	7,693.3	921.5	13.6
1984	6,771.8	590.1	9.5
1983	6,181.7	490.4	8.6
1982	5,691.3	584.2	11.4
1981	5,107.1	455.0	9.8
1980	4,652.1	257.7	5.9
1979	4,394.4	383.8	9.6
1978	4,010.6	1,157.3	40.6
1977	2,853.3	155.2	5.8
1976	2,698.1	(58.0)	(2.1)
1975	2,756.1	370.4	15.5
1974	2,385.7	338.0	16.5
1973	2,047.7	268.4	15.1
1972	1,779.3	221.8	14.2
1971	1,557.5	223.1	16.7
1970	1,334.4	245.9	22.6
1969	1,088.5	95.8	9.7
1968	992.7	116.1	13.2
1967	876.6	237.2	37.1
1966	639.4	55.3	9.5
1965	584.1	40.3	7.4
1964	543.8	44.4	8.9
1963	499.4	32.2	6.9
1962	467.2	35.4	8.2
1961	431.8	26.7	6.6
1960	405.1	16.5	4.2
1959	388.6	46.1	13.5
1958	342.5	21.7	6.8
1957	320.8	36.4	12.8
1956	284.4	49.6	21.1
1955	234.8	15.1	6.9
1954	219.7	9.0	4.3
1953	210.7	33.9	19.2
1952	176.8	12.7	7.7
1951	164.1		

* Excludes \$1 billion in pension contributions funded from the Lottery Enterprise Contribution Act.

** Includes \$468 million in FY 2012 debt service funded from FY 2011 resources.

*** Includes federal stimulus aid used for budget relief that otherwise would have needed a State appropriation.

Fiscal Year 2017 Update

Fiscal 2017 Revenues

(In Millions)

	FY 2016 CAFR	FY 2017		Certified vs. Approp. Act Change		
		Approp. Act	Feb 2017 Revised	June 2017 Certified	\$	%
Income	\$ 13,356	\$ 13,982	\$ 13,940	\$ 13,838	(144)	(1.0)
Sales	9,203	9,597	9,295	9,295	(302)	(3.1)
Corporate	2,295	2,471	2,471	2,203	(268)	(10.8)
Other*	<u>8,019</u>	<u>8,552</u>	<u>8,648</u>	<u>8,508</u>	<u>(44)</u>	(0.5)
Total	<u>\$ 32,873</u>	<u>\$ 34,602</u>	<u>\$ 34,354</u>	<u>\$ 33,844</u>	<u>(758)</u>	(2.2)

* All Sales Tax and Corporation Taxes on Energy are included in Other.

Fiscal 2017 Fund Balance

(In Millions)

	-----FY 2017-----		
	<u>Approp. Act</u>	<u>Feb. Revised</u>	<u>June Certified</u>
Opening Budgetary Surplus	\$ 558	\$ 482	\$ 482
Open Space Reserve*	40	40	40
Revenues			
Income	\$ 13,982	\$ 13,940	\$ 13,838
Sales	9,597	9,295	9,295
Corporate	2,471	2,471	2,203
Other	8,552	9,065	8,843
Gas Tax Reserve**	-	(416)	(335)
Total Revenues	\$ 34,602	\$ 34,355	\$ 33,844
Lapses	-	344	820
Total Resources	\$ 35,200	\$ 35,221	\$ 35,186
Appropriations			
Original	\$ 34,509	\$ 34,509	\$ 34,509
Supplemental	-	106	170
Total Appropriations	\$ 34,509	\$ 34,615	\$ 34,679
Open Space Reserve*	(112)	(115)	(73)
Budgetary Fund Balance	\$ 579	\$ 491	\$ 434

*Open Space funding from the constitutional dedication of Corporate Business Tax revenues is not part of the annual Appropriations Act and is separately appropriated by the Legislature. Appropriated amounts will be moved from reserve and reflected as a supplemental appropriation.

**Represents the amount of constitutionally dedicated Petroleum Products Gross Receipts Tax in excess of the required debt service payments for Transportation Trust Fund Authority projects. This amount will be appropriated separately for pay-as-you-go projects.

Fiscal 2017 Supplemental Needs

(In Thousands)

The amounts below represent spending that ultimately exceeded amounts initially appropriated, largely due to trends in program costs that were not foreseen at the time of budget adoption.

Winter Operations	\$ 45,856 *
CBT Open Space Reserve Appropriation (P.L.2017, c.66)	34,777 *
NJ SMART	10,953 *
Division of Law - Contingency Fee Payment	10,000
Tort Claims Liability Fund	10,000
Employee Benefits	9,468
Interest on Short-Term Notes	8,602
Gubernatorial Elections Fund - Primary	6,080
Nonpublic Handicapped and Auxiliary Services	5,878 *
SEMI/Mac Administration	5,661 *
Early Intervention Program Trend	5,240
Other (\$5 million and below)	17,363
Total Supplemental Needs	<u>\$ 169,878</u>

* Reflects significant revision from FY 2017 Supplemental Needs anticipated at the time of the FY 2018 Governor's Budget Message.

Fiscal 2017 Surplus Balances

(In Thousands)

The amounts below represent line-items in the FY 2017 Appropriations Act where more funds were appropriated than necessary to fully fund programs. Balances available were generally attributable to overestimates of funding needs and not changes in policy.

School Construction Debt Service - Refunding Savings	\$	81,068
Clean Energy Offset of Energy Costs		75,000
Salary Program / Unsettled Contracts Balances		67,900
State Health Benefits Trend		65,000
Medicaid Trend		47,225
Prior Year / Normal Lapse		46,872
Prior Year Community Care Waiver Surplus		31,803
Salary Program - Judiciary		23,452
State Rental Assistance Program		20,900
Family Development Trend		20,467
Capital Improvement Program		17,613
Teachers' Social Security Trend		14,812
Brownfields Site Reimbursement Fund		14,270
Office of Information Technology - Line of Credit		13,200
Health Carry Forward Balances		12,690
Cigarette Tax		11,829
Tuition Aid Grants Trend		11,000
Treasury Salary Surplus		10,950
Capital Improvement Program - Refunding Savings		10,859
Developmental Centers Surplus Balances		10,000
Seton Hall School of Health and Medical Sciences		10,000
Judiciary Carry Forward Balances		10,000
Capital Balances		9,760
Winter Storm Jonas - FEMA Reimbursement		9,228
General Obligation Bonds - Premium Savings		8,750
Supplementary County Highway Aid		8,000
Super Storm Sandy		7,885
New Jersey Building Authority - Refunding Savings		7,519
Homestead Benefit Trend		7,190
Lead Testing for Public Schools		7,000
State FICA - Unsettled Contracts		7,000
Children's System of Care Trend		6,920
Human Services Salary Surplus		6,756
Commercial Vehicle Enforcement Fund		5,500
Central Motor Pool		5,500
Other (\$5 million and below)		96,183
Total Surplus Balances	\$	820,101

Chapter 3: Economic Overview & Revenue Forecast



CHAPTER 3: ECONOMIC OVERVIEW AND REVENUE FORECAST

New Jersey Economic Overview

- The solid labor and housing market performances of 2016 have continued into 2017.
- Payroll employment in New Jersey increased by an average of 4,100 jobs per month through July 2017, just above the average from 2012 to 2016.
- New Jersey's unemployment rate declined by 0.9 percentage points over the past 12 months, to 4.2% as of July 2017.
- New Jersey's labor force participation rate, 63.4% in July 2017, remains higher than the national rate of 62.9%.
- Both personal income and wages and salaries earned by New Jersey residents grew by 0.8% during the first quarter of 2017.
- Existing single-family home sales in New Jersey through July 2017 were 11.8% higher than sales over the same period in 2016. Sales of townhomes and condos have also been a strong 9.0% higher than the corresponding period in 2016.
- New car sales during the 12-month period ending in July 2017 totaled just under 600,000, for a 0.3% year-over-year gain.

Fiscal Year 2018 Revenue Projections

The Fiscal Year 2018 forecast of \$34.7 billion in total revenues represents a 2.6% increase over certified fiscal 2017 levels. With the ongoing economic recovery, New Jersey is projecting moderate growth of base revenues in fiscal 2018.

Fiscal 2018 Revenues

(In Millions)

	FY 2017	FY 2017	FY 2018	Change from Certified	
	Approp. Act	Certified	Approp Act	\$	%
Income*	\$ 13,982	\$ 13,838	\$ 14,382	544	3.9
Sales	9,597	9,295	9,705	410	4.4
Corporation**	2,471	2,203	2,375	172	7.8
Other***	8,552	8,508	8,256	(252)	(3.0)
Total	\$ 34,602	\$ 33,844	\$ 34,718	874	2.6

* Includes the increase in the State Earned Income Tax Credit (EITC) to 35% of the federal credit, a phase-up of the retirement income exclusion, and a personal State income tax exemption for honorably discharged veterans pursuant to P.L.2016, c.57. These changes are projected to decrease income taxes by \$176.5 million in FY18.

** Corporation Business Tax revenues are inclusive of a change in the schedule for the issuance of tax credits under Business Employment Incentive Program (BEIP) pursuant to P.L.2016, c.9.

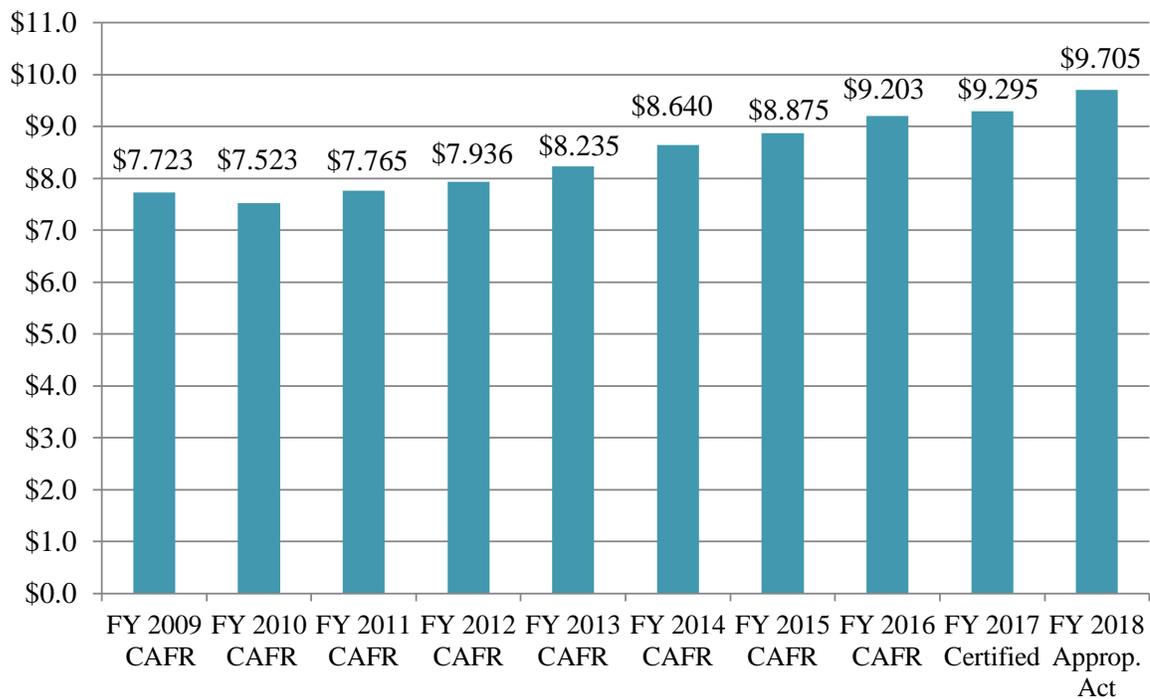
*** Other includes all Sales Tax and Corporation Business Tax on energy. Also included is the recent increase in gas taxes, net of the required reserve, and a phase-out of the estate tax pursuant to P.L.2016, c.57. The estate tax phase-out is projected to decrease other revenues by \$116.4 million in FY18.

Sales Tax

The Fiscal Year 2018 Sales Tax forecast of \$9.7 billion represents a 4.4% increase over certified fiscal 2017 levels. Both the labor and housing markets performed well in 2016 and the first half of 2017. A continuation of this trend should bolster Sales Tax receipts.

Sales Tax

(In Billions)



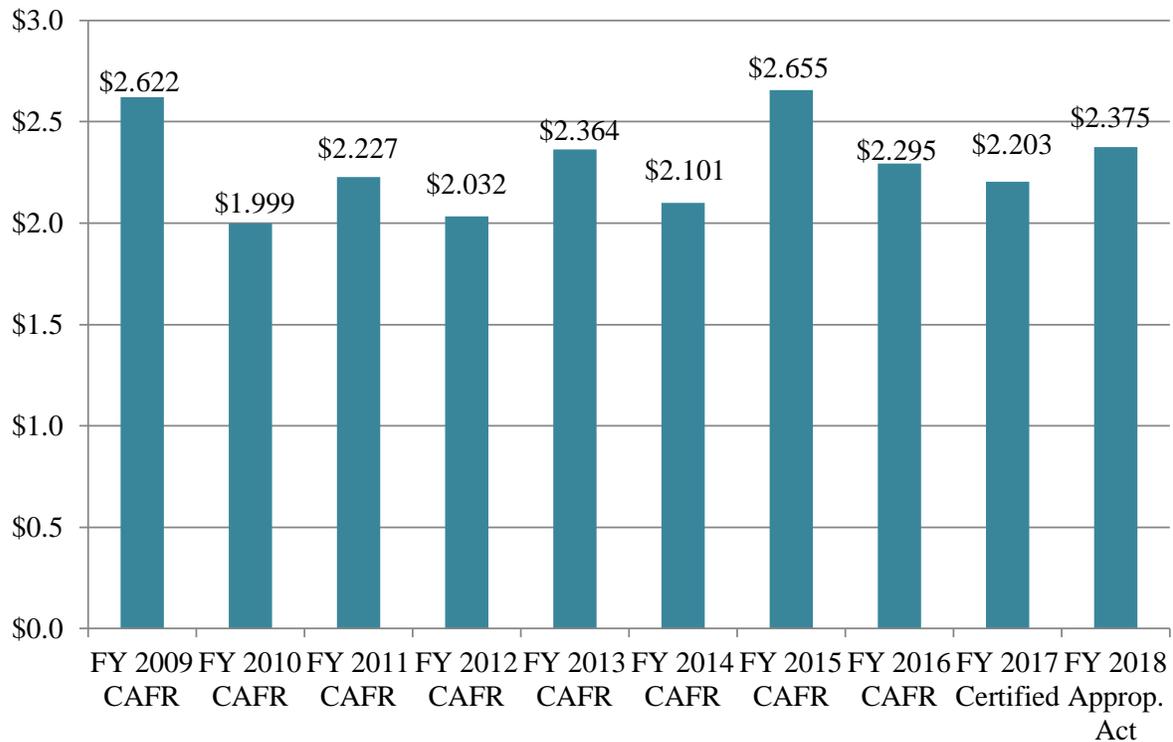
Sales Tax excludes the tax on energy.

Corporation Business Tax

The Fiscal Year 2018 forecast of \$2.4 billion in Corporation Business Tax revenues represent a 7.8% increase over certified fiscal 2017 levels. Corporation Business Tax collections are expected to grow as earnings continue to rise. However, it is important to note that the Corporation Business Tax is one of the most volatile state taxes.

Corporation Business Tax

(In Billions)

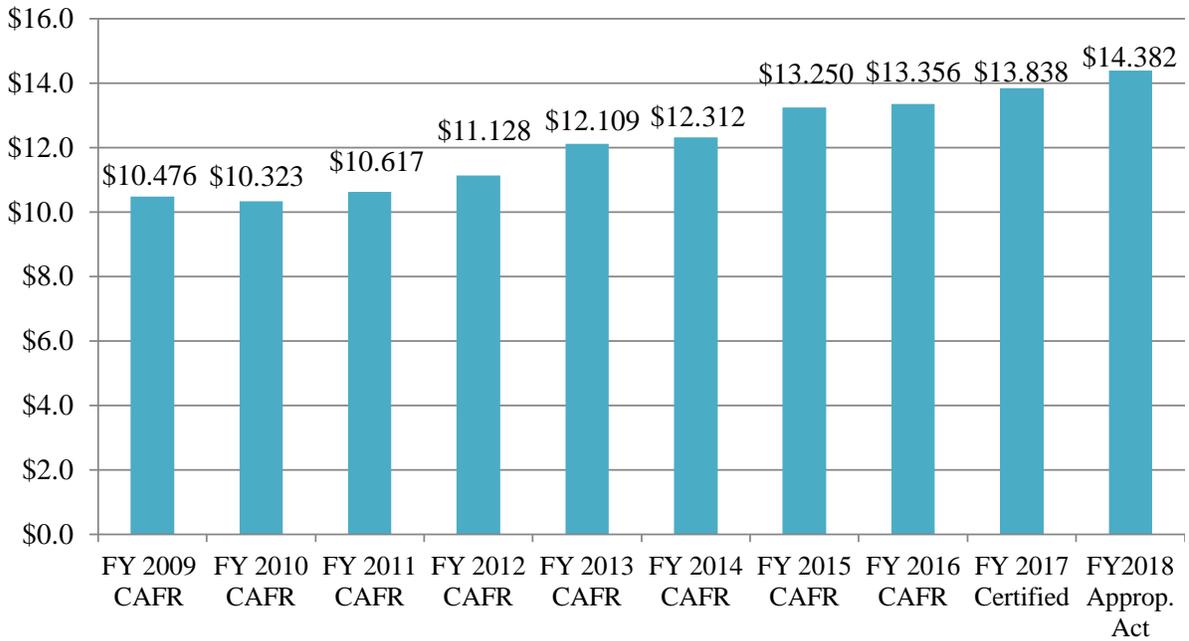


Corporation Business Tax excludes the tax on energy.

Gross Income Tax

The Fiscal Year 2018 forecast of \$14.4 billion in Gross Income Tax revenues represents an increase of 3.9% over certified fiscal 2017 levels. Solid payroll employment growth in 2016, which has carried over into 2017, is expected to continue bolstering income tax collections into fiscal 2018.

Gross Income Tax (In Billions)



Total Other Revenues

The Fiscal Year 2018 forecast of \$8.3 billion for total other revenues is a decrease of 3.0% over certified fiscal 2017 levels. Tax collections from the Other Major Taxes are forecasted to decline by \$853 million, primarily due to the State Lottery Fund now being dedicated to the Pension Fund. Otherwise, tax collections would have been expected to rise. Miscellaneous revenue collections are expected to be 16.8% higher than certified fiscal 2017 levels.

Other Revenues

(In Millions)

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	CAFR	Cert.	Approp. Act							
Casino Revenue Fund	\$ 351	\$ 296	\$ 266	\$ 239	\$ 215	\$ 221	\$ 206	\$ 209	\$ 217	\$ 225
State Lottery Fund*	887	924	930	950	1,085	965	960	987	970	-
Motor Fuels	538	535	524	540	525	530	536	554	542	553
Motor Vehicle Fees	362	379	408	464	450	430	437	474	514	508
Transfer Inheritance	653	582	642	642	624	687	794	770	752	746
Insurance Premium	431	481	458	528	563	578	643	598	531	578
Cigarette	216	205	227	288	247	224	184	167	171	181
Petroleum Products Gross Receipts**	223	216	216	223	206	217	215	215	543	547
Public Utility Excise (Reform)	12	13	15	14	15	15	16	17	18	18
Corp. Banks and Financial Institutions	145	130	118	106	164	186	127	178	187	201
Alcoholic Beverage Excise	94	93	98	102	103	104	106	106	105	107
Realty Transfer	194	179	175	188	212	249	272	314	351	383
Tobacco Products Wholesale Sales	16	18	19	21	22	22	23	24	23	24
Total Other Major Taxes	\$ 4,122	\$ 4,051	\$ 4,096	\$ 4,305	\$ 4,431	\$ 4,428	\$ 4,519	\$ 4,613	\$ 4,924	\$ 4,071
Total Miscellaneous Revenues	\$ 3,942	\$ 3,984	\$ 3,955	\$ 3,685	\$ 3,785	\$ 3,867	\$ 3,798	\$ 3,406	\$ 3,584	\$ 4,185
Total Other Revenues	\$ 8,064	\$ 8,035	\$ 8,051	\$ 7,990	\$ 8,216	\$ 8,295	\$ 8,317	\$ 8,019	\$ 8,508	\$ 8,256

*Beginning in fiscal year 2018, all revenues from the Lottery Enterprise Contribution Act are dedicated to pension payments.

**Excludes the portion of the Petroleum Products Gross Receipts Tax (PPGRT) deposited into the Transportation Trust Fund Subaccount for Capital Reserves, which began in FY 2017. Effective November 1, 2016, the tax imposed under the PPGRT increased in three major components: 1) a 12.85% increase in the tax rate on motor fuels with a phase-in of the diesel component; 2) a 4.25% increase in the tax rate on non-motor fuels; and 3) an additional four cent per gallon tax on diesel fuels that will begin in FY 2018. New Jerseyans also voted in favor of a constitutional amendment to dedicate all gas tax revenues to the state transportation system during the 2016 General Election.

Chapter 4: Budget Details

STATE OF NEW JERSEY
EXECUTIVE DEPARTMENT

REVENUE CERTIFICATION

In accordance with the provisions of Article VIII, Section II, Paragraph 2 of the State Constitution, I hereby certify that the resources listed below are available to support appropriations for the fiscal year ending June 30, 2018.

GENERAL FUND

Undesignated Fund Balance, July 1, 2017	\$ 434,565,000
All Revenues--same as S-18	19,279,775,000
Except for: State Police - Fingerprint Fees	(3,643,000)
 Total Resources, General Fund	 <u>\$ 19,710,697,000</u>

PROPERTY TAX RELIEF FUND

Undesignated Fund Balance, July 1, 2017	\$ -
All Revenues--same as S-18	15,166,059,000
 Total Resources, Property Tax Relief Fund	 <u>\$ 15,166,059,000</u>

GUBERNATORIAL ELECTIONS FUND

Undesignated Fund Balance, July 1, 2017	\$ -
All Revenues--same as S-18	700,000
 Total Resources, Gubernatorial Elections Fund	 <u>\$ 700,000</u>

CASINO REVENUE FUND

Undesignated Fund Balance, July 1, 2017	\$ -
All Revenues--same as S-18	225,026,000
 Total Resources, Casino Revenue Fund	 <u>\$ 225,026,000</u>

CASINO CONTROL FUND

Undesignated Fund Balance, July 1, 2017	\$ -
All Revenues--same as S-18	50,043,000
 Total Resources, Casino Control Fund	 <u>\$ 50,043,000</u>

SURPLUS REVENUE FUND

Undesignated Fund Balance, July 1, 2017	\$ -
 Total Resources, Surplus Revenue Fund	 <u>\$ -</u>

GRAND TOTAL, ALL STATE FUNDS	<u>\$ 35,152,525,000</u>
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FEDERAL FUNDS

Uncertainty over the amount of federal aid which may be available to the State prevents me from making a like certification in the case of federal funds. Federal monies specified in the appropriations bill cannot be regarded as immediately available for expenditure. Pursuant to N.J.S.A. 52:27B-26, I direct that expenditures be permitted under these appropriations only upon determination by the Director of the Division of Budget and Accounting that federal funds to support any expenditure are receivable or have been received by the State.

Respectfully,

Chris Christie
Governor

Attested,

Robert Garrenger
Acting Chief Counsel

SUMMARY OF FISCAL YEAR 2017-18 APPROPRIATION RECOMMENDATIONS

(In Thousands)

*This table is a summary of appropriations of all State fund sources.
It highlights the percent change in appropriations between fiscal years.*

	2017 Adjusted Approp.	2018 Approp Act	----- Change ----- Dollar	Percent
GENERAL FUND AND PROPERTY TAX RELIEF FUND				
State Aid and Grants	25,110,441	25,088,036	(22,405)	(0.09)
State Operations				
Executive Branch	3,550,386	3,464,318	(86,068)	(2.42)
Legislature	81,673	79,136	(2,537)	(3.11)
Judiciary	738,455	757,755	19,300	2.61
Interdepartmental	2,991,208	3,085,512	94,304	3.15
Total State Operations	7,361,722	7,386,721	24,999	0.34
Capital Construction	1,582,215	1,574,437	-7,778	(0.49)
Debt Service	340,834	326,370	-14,464	(4.24)
TOTAL GENERAL FUND AND PROPERTY TAX RELIEF FUND	34,395,212	34,375,564	2,757	0.01
CASINO CONTROL FUND	50,268	50,043	(225)	(0.45)
CASINO REVENUE FUND	221,508	225,026	3,518	1.59
GUBERNATORIAL ELECTIONS FUND	12,280	19,680	7,400	60.26
GRAND TOTAL STATE APPROPRIATIONS	34,679,268	34,670,313	13,450	0.04

APPROPRIATIONS
MAJOR INCREASES AND DECREASES
Fiscal 2018 Budget to Appropriation
(\$ In Millions)

This table summarizes the major increases and decreases in the Fiscal 2018 Appropriations Act since the Governor's recommended Fiscal 2018 Budget and is organized by category.

Categories of recommended appropriations are defined as follows:

State Operations consists of programs and services operated directly by the State government. The largest single component is for the salary and benefits of State employees. This portion of the Budget is subject to the spending limitations imposed by the State Appropriations Limitation Act (P.L.1990, c.94), commonly known as the Cap Law.

Grants-in-Aid appropriations are for programs and services provided to the public on behalf of the State by a third party provider, or grants made directly to individuals based on assorted program eligibility criteria. The NJ FamilyCare program, Tuition Aid Grant Program, Homestead Benefit Program and funding for New Jersey Transit and State colleges and universities fall into this category.

State Aid consists of payments to or on behalf of counties, municipalities and school districts to assist them in carrying out their local responsibilities. This category of expenditure includes school aid and municipal aid. It also includes funding for county colleges, local public assistance and county psychiatric hospital costs.

Capital Construction represents pay-as-you-go allocations and debt service for construction and other infrastructure items.

Debt Service payments represent the interest and principal on capital projects funded through the sale of general obligation bonds.

Many of the budget changes below were sponsored by members of the Legislature. While the sponsor of each change is normally noted in this Citizens' Guide document, as of the date of this publication, the Legislature has not made this information available for inclusion.

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
State Operations			
State Employee Retroactive Payments.....	\$ 67.900		
Employee Health Benefits.....	25.000		
Developmental Centers' Operations.....	10.000		
Judiciary Salary Increase.....	10.000		
Tort Claims Liability Fund.....	7.400		
New Jersey State Commission on Cancer Research.....	2.000		
Accountable Care Organizations.....	1.500		
Shellfish and Marine Fisheries Management.....	1.200		
Office of Legislative Services Salary Increase.....	1.000		
New Jersey Stroke Registry and Stroke Centers			
Reporting System.....	0.750		
Smoking Cessation and Prevention.....	0.500		
Board of Nursing - Home Health Aide Application			
Backlog Reduction.....	0.250		

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Division of Wage and Hour Compliance, Prevailing Wage Act Enforcement.....	0.250		
New Jersey Italian Heritage Commission.....	0.100		
Subtotal - State Operations Increases	<u>\$ 127.850</u>		
Pensions – Lottery Enterprise Contribution Act.....		\$ (123.223)	
Statewide Savings Initiatives.....		(50.000)	
Management Efficiencies.....		(32.500)	
Administration of State Lottery – Lottery Enterprise Contribution Act.....		(13.271)	
Division of Developmental Disabilities Salary Savings.....		(3.000)	
Mid-State Licensed Drug Treatment Program.....		(1.685)	
TEACHNJ Tenure Arbitrators.....		(1.000)	
New Jersey Compassionate Use Medical Marijuana Act.....		(0.750)	
Subtotal - State Operations Decreases		<u>\$ (225.429)</u>	
Net Change (State Operations)			<u>\$ (97.579)</u>
Grants-In-Aid			
Direct Support Professional Wage Increase.....	\$ 20.000		
Seton Hall University School of Health and Medical Sciences Support.....	14.500		
Operating Support for the NJIT Engineering Makerspace.....	10.000		
Brownfield Site Reimbursement Fund.....	8.863		
Care Management Organizations.....	7.000		
Tuition Aid Grants.....	6.500		
Essex County - Recidivism Pilot Program.....	6.000		
Child Advocacy Center - Multidisciplinary Team Fund.....	5.000		
Holy Name Hospital, Teaneck - Palliative Care Pilot Program.....	5.000		
Legal Services of New Jersey - Legal Assistance in Civil Matters.....	5.000		
Rowan University - Rutgers-Camden Board of Governors, Rutgers-Camden School of Business Facilities Development.....	5.000		
New Jersey Re-entry Corporation - One-Stop Offender Re-entry Services.....	4.000		
Volunteers of America - Re-entry Services.....	4.000		
Liberty Science Center - Operations.....	3.561		
Opportunity Program Grants.....	3.035		
Anti-violence Out-of-School Youth Summer Program - Newark, Trenton, Paterson.....	3.000		
Level 1 Trauma Center Security Grants.....	3.000		
Nursing Home Recipients - Personal Needs Allowance.....	3.000		
Sexual Violence Prevention and Intervention Services.....	2.800		
Family Support Services - Children's System of Care.....	2.500		
Women's Services.....	2.240		

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Cancer Institute of New Jersey-Colorectal and Lung Cancer, Service Expansion.....	2.000		
Center for Research and Education in Advanced Transportation Engineering Systems.....	2.000		
Federally Qualified Health Centers.....	2.000		
Supplementary Education Program Grants.....	1.965		
Battleship New Jersey Museum.....	1.740		
New Jersey Performing Arts Center - Capital Improvements.....	1.700		
Cancer Institute of New Jersey - University Hospital Cancer Center Services.....	1.000		
National Guard Tuition Waiver Reimbursement.....	1.000		
New Jersey Nonprofit Security Grant Pilot Program.....	1.000		
REED Academy - Autism Services Pilot Program.....	1.000		
Court Appointed Special Advocates.....	0.850		
Camden Coalition of Health Care Providers Housing First Pilot Program.....	0.500		
Integrated Care Pilot Program for Military, Veterans and First Responders.....	0.500		
Population Health Research Institute, Rowan University - Rutgers-Camden Board of Governors.....	0.500		
Advanced Placement Exam Fee Waiver.....	0.435		
Holocaust Survivor Assistance Program, Samost Jewish Family and Children's Services Southern NJ.....	0.400		
New Jersey Center for Tourette Syndrome and Associated Disorders, Inc.....	0.400		
ALS Association.....	0.250		
Latino Action Network Hispanic Women's Resource Center.....	0.250		
Small Business Bonding Readiness Assistance Fund, EDA.....	0.250		
Adler Aphasia Center.....	0.200		
Dismal Swamp Preservation Commission.....	0.200		
Boys and Girls Clubs of New Jersey - At Risk Youth.....	0.145		
Project S.A.R.A.H.....	0.125		
Lake Hopatcong Commission - Weed Harvesting.....	0.105		
Historic New Bridge Landing Park Commission.....	0.100		
Princeton Healthcare System - CHOP New Jersey Transition to Adulthood Comprehensive Care Program.....	0.100		
Garden to Nurture Human Understanding, Teaneck.....	0.085		
Community-Based Long Term Care Recipients - Personal Care Rate Increase.....	0.046		
<i>Subtotal - Grants-In-Aid Increases</i>	<u>\$ 144.845</u>		
Homestead Benefit Program.....		\$ (144.600)	
Pensions – Lottery Enterprise Contribution Act.....		(101.103)	
NJ FamilyCare Health Care Trend.....		(69.687)	
Developmental Disabilities Trend.....		(10.000)	

	<u>Increases</u>	<u>Decreases</u>	<u>Net Change</u>
Pharmaceutical Assistance to the Aged and Disabled/Senior Gold Prescription Drug Program Trend.....		(2.000)	
Opportunity Scholarship Demonstration Program.....		(1.000)	
Subtotal - Grants-In-Aid Decreases		<u>\$ (328.390)</u>	
Net Change (Grants-In-Aid)			<u>\$ (183.545)</u>
State Aid			
Formula Aid to School Districts.....	\$ 99.993		
Extraordinary Special Education Costs Aid.....	25.000		
Preschool Education Expansion Aid.....	25.000		
Essex County - County Jail Substance Use Disorder Programs.....	20.000		
Nonpublic Security Aid.....	11.300		
Aid to Counties in Lieu of Insurance Premiums Tax Payments.....	7.886		
Lead Testing for Schools.....	7.000		
Supplemental Nutrition Assistance Program Administration.....	7.000		
Adult Education Programs.....	4.000		
County Prosecutor Funding Initiative Pilot Program.....	4.000		
County Vocational School District Partnership Grant Program.....	3.000		
Meadowlands Tax-Sharing Payments - Calendar Year			
2016 Arrears.....	3.000		
Union County Inmate Rehabilitation Services.....	2.500		
Nonpublic Technology Initiative.....	2.400		
Essex Crime Prevention.....	2.000		
Nonpublic Nursing Services Aid.....	1.400		
Subtotal - State Aid Increases	<u>\$ 225.479</u>		
Teachers' Pension and Annuity Fund - Lottery			
Enterprise Contribution Act.....		\$ (776.579)	
Growth Savings - Payment Changes.....		(10.000)	
Transitional Aid to Localities.....		(6.000)	
Aid to County Colleges - Shift to Non-State Funds.....		(5.000)	
Employer Contributions - Teachers' Pension and Annuity Fund - Lottery Enterprise Contribution Act.....		(0.072)	
Subtotal - State Aid Decreases		<u>\$ (797.651)</u>	
Net Change (State Aid)			<u>\$ (572.172)</u>
Capital Construction			
Life Safety, Emergency and IT Projects - Statewide	\$ 9.760		
Subtotal - Capital Construction Increases	<u>\$ 9.760</u>		
Net Change (Capital Construction)			<u>\$ 9.760</u>
GRAND TOTAL	<u>\$ 507.934</u>	<u>\$ (1,351.470)</u>	<u>\$ (843.536)</u>

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Legislature	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	81,673
Department		
DSS	Senate - Operations - FY17 Supplemental Not Continued	(1,000)
DSS	General Assembly - Operations - FY17 Supplemental Not Continued	(1,000)
DSS	Office of Legislative Services - Information Systems Upgrade - FY17 Supplemental Not Continued	(768)
DSS	Office of Legislative Services - District Office Support Services	(500)
DSS	Office of Legislative Services - Line of Credit - FY17 Supplemental Not Continued	(269)
DSS	Office of Legislative Services - Salary Increase	1,000
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		(2,537)
FISCAL 2018 APPROPRIATION		79,136

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Chief Executive	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	6,736
	FISCAL 2018 APPROPRIATION	6,736

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Agriculture	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	20,017
Department		
DSS	Salary Savings	(230)
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		(230)
FISCAL 2018 APPROPRIATION		19,787

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Banking and Insurance	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	64,013
	FISCAL 2018 APPROPRIATION	64,013

****P** = Parent Record**

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Children and Families	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	1,130,890
Department		
GIA	School Linked Services Program	(8,000)
GIA	Child Advocacy Center Competitive Grant Program	(4,800)
GIA	Project S.A.R.A.H.	25
GIA	Family Support Services - Children's System of Care	2,500
GIA	Child Advocacy Center - Multidisciplinary Team Fund	5,000
DSS	Child Collaborative Mental Health Care Pilot Program	5,000
GIA	Expanded Substance Use Disorder Residential Services	6,000
GIA	Care Management Organizations	7,000
P	Children's System of Care Grant Trend	15,390
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		28,115
FISCAL 2018 APPROPRIATION		1,159,005

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Community Affairs	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	841,588
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Department		
PTRF	Transitional Aid to Localities	(6,000)
GIA	First Tee Program - County of Essex	(3,000)
PTRF	Consolidation Implementation	(3,000)
DSS	Salary Savings	(294)
GIA	Garden to Nurture Human Understanding, Teaneck	85
GIA	Dismal Swamp Preservation Commission	200
P	Camden Coalition of Health Care Providers Housing First Pilot Program	250
P	New Jersey Re-entry Corporation - One-Stop Offender Re-entry Services	1,500
P	Volunteers of America - Re-entry Services	1,500
PTRF	Consolidated Municipal Property Tax Relief Aid	1,800
GIA	Anti-violence Out-of-School Youth Summer Program - Newark, Trenton, Paterson	3,000
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		(3,959)
FISCAL 2018 APPROPRIATION		837,629
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P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Corrections	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	1,053,175
Department		
P	Operational Efficiencies	(6,138)
DSS	Salary Savings	(1,300)
DSS	Line of Credit	(1,126)
GIA	Purchase of Community Services Trend	(500)
GIA	Purchase of Service for Inmates Incarcerated In County Penal Facilities Trend	(200)
P	Mid-State Licensed Drug Treatment Program	315
DSS	Restoration of FY17 Legislative Salary Reduction	7,200
Parole Board		
DSS	Salary Savings	(500)
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		(2,249)
FISCAL 2018 APPROPRIATION		1,050,926

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Education	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	13,385,291
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Department		
P	Lead Testing for Schools	(3,000)
P	Growth Savings - Payment Changes	(2,744)
DSS	TEACHNJ Tenure Arbitrators	(1,000)
DSS	Salary Savings	(635)
SA	Cumberland County Technical Education Center	(503)
DSS	New Jersey Italian Heritage Commission	100
PTRF	School Choice Aid Trend	1,348
PTRF	Host District Support Aid	1,823
P	County Vocational School District Partnership Grant Program	2,000
PTRF	Payments for Institutionalized Children - Unknown District of Residence	2,500
PTRF	Nonpublic Pupil Transportation Pilot Program	3,000
SA	Adult Education Programs	4,000
P	Nonpublic School Aid	6,100
PTRF	Charter School Aid	8,790
P	School Facilities Aid Trend	11,925
PTRF	School Construction and Renovation Fund - Debt Service	20,509
PTRF	Extraordinary Special Education Costs Aid	25,000
PTRF	Preschool Education Expansion Aid	25,000
PTRF	Formula Aid to School Districts	99,993
 Teachers Pensions/Social Sec.		
PTRF	Teachers' Pension and Annuity Fund – Lottery Enterprise Contribution Act	(776,579)
P	Health Benefits Reform Savings - Teachers	(62,281)
P	Teachers' Social Security Tax	(9,944)
P	Pension Bonds - Debt Service	15,467
P	Teachers' Post-Retirement Medical	131,869
P	Pensions and Insurance	411,537
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		(85,725)
FISCAL 2018 APPROPRIATION		13,299,566
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P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Environmental Protection	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	327,282
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Department		
DSS	Salary Savings	(2,080)
DSS	Nuclear Emergency Response - FY17 Supplemental Not Continued	(1,206)
DSS	Hunting and Fishing Licenses for National Guard and Disabled Veterans - FY17 Supplemental Not Continued	(638)
DSS	Operational Efficiencies	(390)
DSS	CBT Dedication - FY17 Supplemental Not Continued	(208)
GIA	Lake Hopatcong Commission - Weed Harvesting	105
DSS	CBT Dedication	557
DSS	Shellfish and Marine Fisheries Management	1,200
 Environmental Protection		
CC	CBT Dedication Capital - FY17 Supplemental Not Continued	(1,000)
CC	CBT Dedication Capital	2,677
 Environmental Protection		
DS	General Obligation - Debt Service	(11,666)
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		<hr/> (12,649)
FISCAL 2018 APPROPRIATION		<hr/> 314,633 <hr/>

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Health	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	518,069
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Department		
GIA	Charity Care	(50,000)
DSS	Laboratory Services - Shift to Non-State Funds	(6,000)
GIA	Hospital Asset Transformation Program	(4,157)
GIA	Early Childhood Intervention Program - Shift to Non-State Funds	(1,000)
DSS	New Jersey Compassionate Use Medical Marijuana Act	(750)
DSS	Statewide Trauma Registry	(750)
DSS	Line of Credit	(12)
GIA	Princeton Healthcare System - CHOP New Jersey Transition to Adulthood Comprehensive Care Program	100
GIA	ALS Association	250
GIA	New Jersey Center for Tourette Syndrome and Associated Disorders, Inc.	400
GIA	REED Academy-Autism Services Pilot Program	500
GIA	Integrated Care Pilot Program for Military, Veterans and First Responders	500
DSS	Smoking Cessation and Prevention	500
DSS	New Jersey Stroke Registry and Stroke Centers Reporting System	750
DSS	New Jersey State Commission on Cancer Research	1,000
GIA	Federally Qualified Health Centers	2,000
GIA	Cancer Institute of New Jersey-Colorectal and Lung Cancer, Service Expansion	2,000
GIA	Level 1 Trauma Center Security Grants	3,000
GIA	Holy Name Hospital, Teaneck - Palliative Care Pilot Program	5,000
GIA	Lead Testing	10,000
GIA	Graduate Medical Education	30,000
P	Health Care Subsidy Fund Resources Supporting NJ FamilyCare Children	75,154
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		68,485
FISCAL 2018 APPROPRIATION		586,554
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P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Human Services	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	6,448,401
Division of Aging Services		
P	Pharmaceutical Assistance to the Aged and Disabled/Senior Gold Prescription Drug Program Trend	(3,152)
GIA	Community Based Senior Programs - Federal Match	(2,500)
DSS	Salary Savings	(960)
DSS	NJ Elder Index	(200)
Family Development		
SA	General Assistance (GA) Trend	(11,594)
SA	Supplemental Security Income (SSI) Trend	(6,509)
GIA	Work First New Jersey Child Care Trend	11,176
Developmental Disabilities		
GIA	Removal of One-Time Community Provider Increase	(5,000)
DSS	Salary Savings	(3,000)
GIA	Debt Service	(556)
P	FY17/FY18 Community Placements	317
DSS	Developmental Centers' Operations	10,000
Commission for the Blind and Visually Impaired		
DSS	Salary Savings	(275)
Deaf and Hard of Hearing		
DSS	Salary Savings	(180)
Disability Services		
DSS	Salary Savings	(60)
Mental Health and Addiction Services		
DSS	Salary Savings	(450)
GIA	Debt Service	(377)
GIA	Opioid Overdose Recovery Program	987
P	FY17/FY18 Olmstead Support Services	5,120

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Human Services	Amount
Medical Assistance & Health Services		
P	Health Care Subsidy Fund Resources Supporting NJ FamilyCare Children	(75,154)
P	Program Efficiencies and Federal Maximization Initiatives	(74,168)
P	Affordable Care Act - Health Insurance Providers Fee Moratorium	(54,873)
DSS	Salary Savings	(700)
GIA	Community-Based Long Term Care Recipients - Personal Care Rate Increase	46
GIA	Nursing Home Recipients - Personal Needs Allowance	3,000
P	Managed Long Term Services and Supports/Nursing Homes Trend	65,394
GIA	Reduced Federal Match on Affordable Care Act Expansion	69,851
P	NJ FamilyCare Health Care Trend	210,319
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		136,502
FISCAL 2018 APPROPRIATION		6,584,903

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Labor and Workforce Development	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	168,226
Department		
DSS	Division of Wage and Hour Compliance, Prevailing Wage Act Enforcement	250
Civil Service Commission		
DSS	Salary Savings	(420)
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		(170)
FISCAL 2018 APPROPRIATION		168,056

****P** = Parent Record**

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Law & Public Safety	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	598,753
<hr/>		
Department		
DSS	Division of Law Contingency and Legal Fees - FY17 Supplemental Not Continued	(10,000)
P	State Police - Shift to Non-State Funds	(8,592)
DSS	Salary Savings	(550)
DSS	Board of Nursing - Home Health Aide Application Backlog Reduction	250
DSS	State Police - Recruitment of 159th Recruit Class	500
DSS	State Police - Line of Credit	1,600
DSS	State Police - Office of Forensic Sciences - Bail Reform	3,200
Election Law Enforcement		
GEF	Gubernatorial Elections Fund - Primary - FY17 Supplemental Not Continued	(7,880)
GEF	Gubernatorial Elections Fund - General	13,480
State Ethics Commission		
DSS	Salary Savings	(65)
Juvenile Justice Commission		
DSS	Line of Credit	(300)
Office of Homeland Security and Preparedness		
DSS	Salary Savings	(500)
GIA	New Jersey Nonprofit Security Grant Pilot Program	1,000
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		<hr/> (7,857)
FISCAL 2018 APPROPRIATION		<hr/> 590,896 <hr/>

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Military & Veterans Affairs	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	97,554
Department		
DSS	Veterans' Homes Receipts - FY17 Supplemental Not Continued	(850)
DSS	Salary Savings	(440)
P	Operational Efficiencies	(336)
GIA	Vietnam Veterans Memorial Foundation	(250)
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		(1,876)
FISCAL 2018 APPROPRIATION		95,678

****P** = Parent Record**

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	State	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	1,284,440
Higher Ed Student Assistance Auth.		
P	Tuition Aid Grants	22,212
NJ Institute of Technology		
GIA	Operating Support for the NJIT Engineering Makerspace	10,000
Office of the Secretary of Higher Education		
DSS	Database for Economic Development - FY17 Supplemental Not Continued	(1,500)
DSS	Salary Savings	(125)
OSHE - Educational Opportunity Fund		
P	Supplementary Education Program Grants	540
P	Opportunity Program Grants	895
Rowan University		
GIA	Operating Costs for New Academic Buildings, Rowan University - Rutgers-Camden Board of Governors	(500)
GIA	Population Health Research Institute, Rowan University - Rutgers-Camden Board of Governors	500
Rutgers, Camden		
P	Rowan University - Rutgers-Camden Board of Governors, Rutgers-Camden School of Business Facilities Development	4,000
Thomas Edison State University		
GIA	National Guard Tuition Waiver Reimbursement	1,000
Department		
DSS	Salary Savings	(150)
DSS	Operational Efficiencies	(79)
GIA	Historic New Bridge Landing Park Commission	100
GIA	Battleship New Jersey Museum	1,740
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		38,633
FISCAL 2018 APPROPRIATION		1,323,073

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Transportation	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	1,540,398
NJ Transit		
CRFS	Transportation Assistance for Senior Citizens and Disabled Residents	278
Department		
DSS	Winter Operations/Snow Removal - FY17 Supplemental Not Continued	(40,000)
P	Operational Efficiencies	(1,400)
Transportation - Proper		
P	Transportation Trust Fund - Debt Service	14,702
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		(26,420)
FISCAL 2018 APPROPRIATION		1,513,978

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Treasury	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	1,990,307
<hr/>		
Division of Elder Advocacy		
DSS	Salary Savings	(175)
Department		
DSS	Administration of State Lottery – Lottery Enterprise Contribution Act	(13,271)
DSS	Salary Savings	(1,000)
DSS	Wage Reporting/Temporary Disability Insurance	(400)
DSS	Line of Credit	206
DSS	Gubernatorial Transition	600
Treasury - Casino Control Fund		
CCF	Operational Efficiencies	(225)
Treasury-Direct Property Relief		
P	Homestead Benefit Program	(175,200)
PTRG	Senior and Disabled Citizens' Property Tax Freeze Trend	(4,600)
PTRF	Senior and Disabled Citizens' and Veterans' Property Tax Deductions Trend	(3,700)
Office of State Comptroller		
DSS	Salary Savings	(240)
Treasury-Municipal & County Aid		
P	Municipal Retired Employees' Health Benefits (PRM)	(2,235)
SA	South Jersey Port Corporation Debt Service Reserve Fund	(1,265)
SA	Public Library Project Fund - Debt Service	(5)
P	Pension Bonds - Debt Service	1,525
PTRF	Meadowlands Tax-Sharing Payments - Calendar Year 2016 Arrears	3,000
PTRF	Aid to Counties in Lieu of Insurance Premiums Tax Payments	7,886
P	Pensions	22,140
Office of Information Technology		
DSS	Salary Savings	(1,500)
DSS	Statewide 9-1-1 Emergency Telecommunication System	13,000

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Treasury	Amount
Economic Development Authority		
GIA	Economic Redevelopment and Growth Grants Trend	(1,715)
GIA	Fort Monmouth Economic Revitalization Authority - State Match	(181)
GIA	Small Business Bonding Readiness Assistance Fund, EDA	250
P	Brownfield Site Reimbursement Fund	2,820
Treasury		
DS	General Obligation - Debt Service	(2,798)
Higher Ed - County Colleges		
P	Aid to County Colleges - Shift to Non-State Funds	(5,000)
P	Health Benefit Reform Savings - County College Retirees	(1,419)
PTRF	County Colleges Facility Costs - Debt Service	(1,093)
PTRF	Employer Contributions - Teachers' Pension and Annuity Fund – Lottery Enterprise Contribution Act	(72)
P	Pensions and Insurance	(25)
P	Employer Taxes for Members of the Teachers' Pension and Annuity Fund	(20)
P	Pension Bonds - Debt Service	15
P	County College Retired Employees' Health Benefits (PRM)	3,368
Higher Ed - Indepen. Colleges & Oth		
GIA	Seton Hall Law Clinic Re-entry Services	207
P	Seton Hall University School of Health and Medical Sciences Support	5,000
Miscellaneous Higher Ed.		
GIA	Equipment Leasing Fund - Debt Service	(223)
GIA	Dormitory Safety Trust Fund - Debt Service	(25)
GIA	Higher Education Technology Bond - Debt Service	1
GIA	Higher Education Facilities Trust Fund - Debt Service	4
GIA	Higher Education Capital Improvement Program - Debt Service	5,261
Public Defender		
DSS	Professional Services Accrual Adjustment - FY17 Supplemental Not Continued	(772)
DSS	Line of Credit	(128)
DSS	Bail Reform	1,050
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		(150,954)
FISCAL 2018 APPROPRIATION		1,839,353

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Misc. Exec. Comm.	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	776
	FISCAL 2018 APPROPRIATION	<hr style="border: none; border-top: 1px solid black;"/> 776 <hr style="border: none; border-top: 1px solid black;"/>

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Inter-departmental	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	4,319,680
Employee Benefits		
P	Pensions – Lottery Enterprise Contribution Act	(224,326)
P	Health Benefits Reforms Savings - State and Higher Education	(61,300)
DSS	Management Efficiencies	(32,500)
P	Employer Taxes	9,348
P	Pension Bonds - Debt Service	12,165
P	Employee Health Benefits	41,403
P	Pensions and Insurance - State and Higher Education Employees	213,518
Inter-departmental		
CC	New Jersey Building Authority - Debt Service	(122)
CC	Garden State Preservation Trust - Debt Service	(18)
CC	Life Safety, Emergency and IT Projects - Statewide	9,760
Other Inter-departmental Accounts		
DSS	Interest on Short Term Notes - FY17 Supplemental Not Continued	(7,102)
GIA	New Jersey Sports and Exposition Authority - FY17 Supplemental Not Continued	(1,000)
GIA	New Jersey Sports and Exposition Authority - Debt Service	(871)
GIA	Biomedical Research Bonds, EDA	(756)
GIA	Liberty Science Center - Operations	(39)
GIA	Municipal Rehabilitation and Economic Recovery, EDA	(3)
GIA	Liberty Science Center - Debt Service	39
GIA	New Jersey Performing Arts Center - Capital Improvements	1,700
GIA	Direct Support Professional Wage Increase	20,000
Rentals and Utilities		
DSS	Tort Claims Liability Fund - FY17 Supplemental Not Continued	(10,000)
P	Property Rentals	(4,620)
DSS	Workers Compensation and Insurance Premiums	(1,389)
DSS	Economic Development Authority - Debt Service	(10)
Salary & Other Benefits (Adjustments)		
DSS	Statewide Savings Initiatives	(50,000)

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Inter-departmental	Amount
DSS	Judicial Branch	10,794
P	Executive Branch	65,609
DSS	State Employee Retroactive Payments	67,900
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		58,180
FISCAL 2018 APPROPRIATION		4,377,860

P = Parent Record

SUMMARY OF CHANGES
Major Agencies
(In Thousands)

IPB Fund	Judiciary	Amount
**	2017 Adjusted Appropriations (as reported in the Governor's Budget)	738,455
Department		
DSS	Bail Reform	9,300
DSS	Salary Increase	10,000
TOTAL FISCAL 2018 REDUCTIONS/INCREASES		19,300
FISCAL 2018 APPROPRIATION		757,755
GRAND TOTAL -- FISCAL 2018 APPROPRIATION (Excludes Federal Funds)		34,670,313

P = Parent Record

Core Mission Summaries

Reading the Core Mission Area Tables

DEPARTMENT NAME

CORE MISSION SUMMARY

Each department has identified one or more *core mission areas* reflecting key priorities.

Actual
FY 20XX

Performance
Target
FY 20XX

Performance
Target
FY 20XX

Core Mission Area #1

Appropriations (\$000s)

Total Resources allocated
to core mission area

State Funds

\$000,000

\$000,000

Non-State Funds

\$000,000

\$000,000

Key Performance Indicators

Indicator #1

X%

X%

X%

Indicator #2

X%

X%

X%

Key Performance Indicators are measures that track progress within *Core Mission Areas*.

Baseline
Performance
Data

Departments set targets based on the baseline (starting point) performance, resources available and their potential to achieve improvements.

FY18 Citizens's Guide: Core Mission Summaries

	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF AGRICULTURE			
Protecting the Public			
Appropriations (in thousands)			
State Funds	\$ 4,704	\$ 3,712	\$ 3,573
Non-State Funds	\$ 3,845	\$ 6,597	\$ 7,383
Key Performance Indicators			
Bee hive colonies inspected	1,897	1,900	1,900
Gypsy moth aerial suppression (municipalities surveyed)	139 (a)	60	60
Nursery plant dealer inspections (units)	983	700	700
Nursery locations inspected (units)	1,238	1,200	1,200
Phytosanitary inspections	168	200	200
Food safety audits performed	104	90	90
Fruit and vegetable shipping points inspected (lbs. of produce) (b)	3,655,294	1,500,000	1,500,000
Fruit and vegetable terminal markets inspected (lbs. of produce)	138,511,599	135,000,000	135,000,000
Shell eggs cases graded (pounds) (c)	8,766,344	7,800,000	7,800,000
Feed, fertilizer and lime registrations issued	949	875	875
Organic registrations issued	1,798	1,800	1,800
Wholesale seedsmen registered	145	145	143
Aquaculture licenses issued	4	6	5
Dairy store licenses issued	11,764	10,500	10,500
Dairy dealer licenses issued	244	290	290
Organic certifications processed	85	80	80
Certified NJ Organic operations meeting with federal standards	97	105	105
Detection of animal diseases (tests performed)	27,778	28,000	28,000
Livestock, equine and poultry disease management (field investigations performed)	1,501	1,400	1,400
Feed, fertilizer and lime samples taken	463	650	650
Feed, fertilizer and lime deficiencies	113	125	125
Animal waste management plans completed and filed	8	10	10
Beneficial Insect Lab: Weed defoliating weevils produced	63,566	85,000	85,000
Beneficial Insect Lab: Insect parasitoid adults produced	863,000	1,000,000	1,000,000
Beneficial Insect Lab: Weed defoliating beetles produced	126,667	150,000	150,000
Dairy financial disputes settled	191	225	225
Dairy investigations conducted	1,148	1,500	1,500
Dairy Change of Supplier Notices filed	36	50	50
Ag Chemistry lot inspections	8,105	8,500	8,500
Milk pooled (pounds)	113,245,029	107,000,000	107,000,000

Notes:

- (a) In fiscal year 2016, there was a spike in gypsy moth populations, which resulted in an increased number of surveys conducted.
- (b) Due to recent changes to the federal regulation on commodity inspections being shipped to Canada some commodities that were previously required to be inspected are no longer covered under the federal agreement resulting in reduced targets for fiscal 2017 and fiscal 2018.
- (c) The United States Department of Agriculture (USDA) began conducting the majority of shell egg grading inspections in NJ in fiscal 2015. As this transition continues into fiscal 2017, the NJ Department of Agriculture will conduct fewer inspections.

Feeding NJ's Schoolchildren and the State's Food Insecure

Appropriations (in thousands)

State Funds	\$ 13,095	\$ 13,123	\$ 13,070
Non-State Funds	\$ 477,967	\$ 531,943	\$ 560,620

Key Performance Indicators

Total school breakfasts served	53,679,530	54,000,000	55,000,000
Total school lunches served	114,707,485	115,000,000	116,000,000
Total meals in child & adult care food programs	41,567,027	42,000,000	42,500,000
Total meals in summer food program	2,823,444	3,000,000	3,100,000
Total food distributed under the United States Department of Agriculture (USDA) School Commodities program, including fresh fruit and vegetables (pounds)	35,762,489	36,000,000	36,000,000
Total purchases via the State Food Purchase Program (pounds)	8,577,262	8,600,000	8,600,000

FY18 Citizens' Guide: Core Mission Summaries

	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF AGRICULTURE			
Promoting and Supporting NJ Agricultural and Aquacultural Industries and Product			
Appropriations (in thousands)			
State Funds	\$ 928	\$ 526	\$ 503
Non-State Funds	\$ 3,602	\$ 4,073	\$ 4,048
Key Performance Indicators			
Farm markets in urban areas	138	130	130
Farms whose products meet Jersey Fresh standards	317	375	375
Consumer advertised Impressions for Jersey Fresh	11,500,000	13,500,000	14,000,000
Technical assistance to potential aquaculturalists (hours)	85	75	75
Preservation and Conservation of Natural Resources			
Appropriations (in thousands)			
State Funds	\$ 4,154	\$ 2,656	\$ 2,641
Non-State Funds	\$ (604) ^(a)	\$ 6,010	\$ 6,010
Key Performance Indicators			
Acres of farmland preserved	5,438	5,100	5,100
Easement purchase transactions	70	85	85
Number of county and nonprofit owned easements monitored for compliance annually ...	1,836	1,450	1,600
Number of State Agriculture Development Committee (SADC) owned easements monitored for compliance	448	436	448
Technical and administrative assistance to Soil Conservation Districts (hours)	1,596	1,700	1,700
Farms assisted by conservation field staff	361	300	300
On-site inspections by Soil Conservation Districts to ensure adherence to chapter 251 regulations	50,996	50,000	50,000
Notes:			
(a) Due to a cancelled encumbrance from a prior fiscal year, a negative balance is reflected.			
DEPARTMENT OF BANKING AND INSURANCE			
Monitoring Financial Condition of Regulated Companies			
Appropriations (in thousands)			
State Funds	\$ 22,625	\$ 17,142	\$ 17,142
Non-State Funds	\$ 28	---	---
Key Performance Indicators			
Complete Examinations			
Average time to complete an insurance company examination (days)	255	275	285
Average time to complete a consumer lender (mortgage lender, check cashers, money transmitters, etc.) examination (days)	124	70	70
Average time to complete a bank examination (days)	58	60	60
Average time to complete joint examination with the Federal Deposit Insurance Corporation (FDIC) or Federal Reserve (days)	57	60	60
Average time to mail examination report to insurance companies (days)	13	20	20
Average time to mail examination report to consumer lenders (includes mortgage lenders, check cashers, money transmitters, etc.) (days)	197	100	100
Average time to mail examination report to bank (days)	42	45	50
Average time to mail examination report of joint bank examinations with the FDIC or Federal Reserve (days)	46	60	65
Promoting Growth and Stability of Regulated Industries			
Appropriations (in thousands)			
State Funds	\$ 7,841	\$ 10,330	\$ 10,330
Non-State Funds	\$ 3	---	---
Key Performance Indicators			
Abandoned calls to licensing (monthly percentage)	3.0%	4.5%	4.5%
Average time to process Life and Health rate and form filings (days)	38	40	40
Average time to process Property and Casualty rate and form filings (days)	14	30	30

FY18 Citizens's Guide: Core Mission Summaries

	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF BANKING AND INSURANCE			
Consumer Protection			
Appropriations (in thousands)			
State Funds	\$ 20,587	\$ 36,541	\$ 36,541
Non-State Funds	\$ 1,602	\$ 445	\$ 448
Key Performance Indicators			
<i>Fraud Deterrence</i>			
Consumer fraud referrals received	5,917	5,000	5,000
Consumer fraud investigations completed	6,181	6,000	6,000
Consumer fraud investigations completed with cooperation of regulators and law enforcement agencies	1,201	1,275	1,300
Meetings with consumer fraud deterrence investigative units	134	150	155
<i>Process Consumer Complaints</i>			
Abandoned consumer complaint calls (monthly percentage)	3.0%	5.0%	5.0%
Average time to process a consumer insurance complaint (days)	44	41	41
Average time to process a consumer banking complaint (days)	78	80	80
Average time to process a consumer real estate complaint (days)	227	160	160
<i>Process Enforcement Actions</i>			
Average time to process a consumer protection insurance enforcement action (days) . . .	387	450	450
Average time to process a consumer protection banking enforcement action (days) . . .	205	120	120

Notes:

Fiscal years 2017 and 2018 performance targets are derived either from trends based on actual performance or standards set by the National Association of Insurance Commissioners.

DEPARTMENT OF CHILDREN AND FAMILIES

Ensure the safety, permanency and well-being of children experiencing child abuse or neglect

Appropriations (in thousands)

State Funds	\$ 681,719	\$ 675,640	\$ 680,840
Non-State Funds	\$ 343,422	\$ 344,591	\$ 350,226

Key Performance Indicators

Average wait time before calls coming in to the State Central Registry hotline are answered (seconds)	27	26	26
Abuse/Neglect Reports assigned for investigation within three hours of initial report	99.2%	98.0%	98.0%
Investigations of Abuse/Neglect Reports completed within 90 days	95.5%	95.0%	95.0%
New Jersey children supervised by Child Protection and Permanency who receive monthly caseworker visits (both in-home and out-of-home)	93.0%	93.0%	93.0%
Adoptions finalized within nine months of a child being placed in an adoptive home	98.8%	95.0%	95.0%
Children in out-of-home placement who have up-to-date immunization records	96.9%	96.0%	96.0%
Children receiving initial physical exam within 24 hours of entering placement	99.1%	98.0%	98.0%
Intake workers: Caseload levels compliant with established standards	93.2%	90.0%	90.0%
Permanency workers: Caseload levels compliant with established standards	99.7%	95.0%	95.0%
Adoption workers: Caseload levels compliant with established standards	92.9%	93.0%	93.0%

Serve children and adolescents with emotional and behavioral health care challenges and intellectual and developmental disabilities through family-centered, community-based programs

Appropriations (in thousands)

State Funds	\$ 360,236	\$ 369,107	\$ 399,997
Non-State Funds	\$ 198,779	\$ 200,222	\$ 227,637

Key Performance Indicators

Children requiring an out-of-home (OOH) placement for a behavioral health issue who were served in New Jersey	100.0%	99.0%	99.0%
Crisis calls addressed by a Mobile Response Crisis Team where the child was able to stay safely in their home/current living arrangement	97.5%	95.0%	95.0%
Children involved with a Care Management Organization who were maintained in their own homes/community	85.1%	80.0%	82.0%

FY18 Citizens' Guide: Core Mission Summaries

	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF CHILDREN AND FAMILIES			
Children in an OOH treatment setting who were discharged to a lower intensity of services (within Children's System of Care OOH settings) or discharged home	89.4%	85.0%	85.0%
Average length of stay in OOH setting for discharges (per episode)	11.2 Months	11 Months	11 Months
Support child abuse prevention and intervention programs and services to women through a network of public/private partnerships and programs			
Appropriations (in thousands)			
State Funds	\$ 73,466	\$ 70,816	\$ 62,841
Non-State Funds	\$ 37,032	\$ 43,122	\$ 44,383
Key Performance Indicators			
Women's Services clients that report having more strategies for enhancing their safety after receiving services	97.0%	95.0%	95.0%
Women's Services clients that have more knowledge of available community resources	93.0%	90.0%	90.0%
Children served by the Home Visiting Program who are appropriately immunized	82.8%	82.0%	82.0%
Children served by the Home Visiting Program who are screened for developmental delays	91.5%	90.0%	90.0%
School Based Youth Services Program participants who totally or mostly agree that the Program has helped them do better in school	74.8%	75.0%	75.0%
School Based Youth Services Program participants who totally or mostly agree that the Program has helped prepare them for life after high school	71.3%	72.0%	72.0%
Provide educational services to students with disabilities and special needs			
Appropriations (in thousands)			
State Funds	\$ 9,657	\$ 15,327	\$ 15,327
Non-State Funds	\$ 49,597	\$ 45,839	\$ 45,839
Key Performance Indicators			
Eligible students graduating high school while enrolled	98.0%	99.0%	99.0%
Adherence to national average for at-risk academic students who showed improvement in reading from pre- to post-test after being enrolled for 90 days	88.0%	88.0%	88.0%
Adherence to national average for at-risk academic students who showed improvement in math from pre- to post-test after being enrolled for 90 days	84.0%	84.0%	84.0%
DEPARTMENT OF COMMUNITY AFFAIRS			
Building Safety			
Appropriations (in thousands)			
State Funds	\$ 63,092	\$ 40,009	\$ 39,955
Non-State Funds	\$ 20,316	\$ 28,938	\$ 37,091
Key Performance Indicators			
Construction specification reviews performed within 20 business days	56.0%	80.0%	85.0%
Multiple dwelling unit inspections completed that are required to be performed by the State	80.0%	90.0%	90.0%
Fire safety inspections completed that are required to be performed by the State (a)	132.0%	95.0%	95.0%
Notes:			
(a) Data include all completed inspections on an annualized basis; data can exceed 100% when required prior-year inspections are completed.			
Housing Assistance			
Appropriations (in thousands)			
State Funds	\$ 22,438	\$ 35,921	\$ 36,140
Non-State Funds	\$ 269,560	\$ 332,364	\$ 327,964
Key Performance Indicators			
Affordable housing units financed	6,199	5,500	3,750
Spending rate on federal rental assistance vouchers	97.0%	98.0%	98.0%
Spending rate on rental assistance in the State program	87.0%	90.0%	95.0%

FY18 Citizens's Guide: Core Mission Summaries

	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF COMMUNITY AFFAIRS			
Community Development & Support Services			
Appropriations (in thousands)			
State Funds	\$ 13,347	\$ 13,559	\$ 16,806
Non-State Funds	\$ 150,890	\$ 186,089	\$ 182,564
Key Performance Indicators			
Households receiving energy assistance	297,354	300,000	300,000
Units weatherized with energy assistance funding	2,273	2,500	2,250
Number of individuals with disabilities participating in athletic programs	27,144	22,000	22,000
Local Government Operations			
Appropriations (in thousands)			
State Funds	\$ 401,629	\$ 752,099	\$ 744,728
Non-State Funds	\$ 861	\$ 1,350	\$ 1,350
Key Performance Indicators			
Municipal budgets with tax levy increases within 2% statutory cap (reported on CY basis)	565	565	565
DEPARTMENT OF CORRECTIONS			
Protecting the Public			
Appropriations (in thousands)			
State Funds	\$ 225,186	\$ 254,319	\$ 262,719
Non-State Funds	\$ 764	\$ 175	\$ 175
Key Performance Indicators			
Inmates who attempted escape from a secure correctional facility	1	---	---
Inmates who escaped from a secure correctional facility	2	---	---
36 month re-incarceration rate (a)	31.3%	32.0%	32.0%
Notes:			
(a) The 36 month re-incarceration rate is defined as the percentage of inmates who are returned to prison within three years of their release date. It is calculated per calendar year, not per fiscal year. The actual fiscal year 2016 value reflects the re-incarceration rate for inmates released in calendar year 2012.			
Enhancing Safety within Institutions			
Appropriations (in thousands)			
State Funds	\$ 269,542	\$ 224,800	\$ 223,585
Non-State Funds	\$ 21,152	\$ 24,994	\$ 24,980
Key Performance Indicators			
Assaults on corrections officers	203	228	228
Rate of assaults on corrections officers (a)	0.3%	0.4%	0.4%
Stabbings/slashing incidents by inmate on inmate	7	---	---
Cell phone/paraphernalia discoveries within secure perimeters	34	49	49
Cell phone/paraphernalia discoveries outside secure perimeters	11	26	26
Weapon discoveries	275	295	295
Drug/paraphernalia discoveries	309	223	223
Inmate disciplines in the secure facilities population	8,839	9,844	9,844
Positive inmate drug tests for controlled dangerous substances within secure facilities (b) .	1.1%	1.0%	1.0%
Positive inmate drug tests for controlled dangerous substances within the Residential Community Release Program (RCRP) and Mutual Agreement Program (MAP) (b)(c) . .	0.3%	3.5%	3.5%
Notes:			
(a) This indicator is now calculated on an annual basis.			
(b) Drug tests are ordered for a variety of reasons, making future metrics difficult to predict. Examples range from random testing, routine testing (Therapeutic Community Program, Pre-Release testing) to circumstances involving reasonable suspicion including orders by Disciplinary Program Hearing Officers. Due to recent issues with a data reporting system, the drug test metrics are now calculated using a different methodology.			
(c) In fiscal year 2017, alcohol will be added to the prohibited substances detected in the iCup [®] testing device for the RCRP.			

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF CORRECTIONS			
Managing NJ's Inmates			
Appropriations (in thousands)			
State Funds	\$ 191,804	\$ 186,149	\$ 190,354
Non-State Funds	\$ 1,520	---	---
Key Performance Indicators			
Total inmate population	20,929	20,301	20,301
DOC secured facilities population (includes Special Treatment Unit)	18,052	17,444	17,484
General Population housing occupancy rate	97.1%	97.0%	97.0%
Residential Community Release Program (RCRP) and Mutual Agreement Program (MAP) population (a)	2,702	2,682	2,642
State inmates housed in county jails	175	175	175

Notes:

Actual values are an average of weekly censuses and targets are determined by averaging forecasted population counts for fiscal 2017 and 2018.
 (a) The discontinuation of MAP in fiscal 2018 resulted in a reduction of 40 in RCRP and an increase of 40 in secured facilities.

Expanding Inmate Health, Rehabilitation and Reentry Services

	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
Appropriations (in thousands)			
State Funds	\$ 268,379	\$ 273,629	\$ 260,961
Non-State Funds	\$ 1,816	\$ 1,424	\$ 1,361
Key Performance Indicators			
Medical specialty consults completed within 60 days	90.1%	97.0%	97.0%
Dental specialty consults completed within 60 days	95.7%	97.0%	97.0%
Compliance rate of initial comprehensive health appraisals within 7 days of intake	99.8%	97.0%	97.0%
Compliance rate of biennial dental prophylactics	99.7%	97.0%	97.0%
Compliance rate of Papanicolaou diagnostic tests at intake	92.3%	97.0%	97.0%
Compliance rate of annual tuberculosis screens	99.3%	97.0%	97.0%
Cage Your Rage program completion rate	89.8%	87.0%	87.0%
Helping Offenders Parent Effectively (HOPE)/Every Person Influences Children (EPIC) program completion rate	88.6%	85.0%	87.0%
Successful Transition and Reentry Series (STARS) program completion rate	90.0%	90.0%	90.0%
Successful Employment & Lawful Living Through Conflict Management (SEALL) program completion rate	91.0%	85.0%	89.0%
Thinking for a Change (T4C) program completion rate	91.4%	80.0%	85.0%
Family Reunification and Transition (FRAT) completion rate	91.4%	85.0%	90.0%
Released inmates that received Fair Release and Reentry Act (FRARA) kits in compliance with the Fair Release and Reentry Act of 2009	99.9%	100.0%	100.0%
Substance use disorder program completions awarded	1,027	TBD (a)	TBD (a)

Notes:

(a) The program has been operational since May 2017. However, there is insufficient data at this time on the number of inmates completing the program to accurately estimate the total for the fiscal year.

Making Academic & Educational Gains

	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
Appropriations (in thousands)			
State Funds	\$ 15,062	\$ 16,626	\$ 16,155
Non-State Funds	\$ 3,109	\$ 4,384	\$ 4,645
Key Performance Indicators			
High school diplomas awarded	53	44	44
State Facilities Education Act (SFEA) inmates awarded a high school diploma (a)	27.6%	23.0%	23.0%
High School Equivalency test takers with passing scores (b)	82.1%	80.0%	80.0%
Career Technical Education certificates earned	4,603	3,860	3,860
Inmates eligible for mandatory education	5,413	5,400	5,400
Inmates who waived participation for mandatory education	1,172	1,500	1,500
Mandatory education service target	4,222	4,200	4,200
Inmates enrolled in mandatory education	2,822	2,500	2,500

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF CORRECTIONS			
Mandatory education enrollment rate (c)	67.3%	60.0%	60.0%
Hours served by education volunteers	9,525	13,000	13,000

Notes:

- (a) This indicator describes the percentage of SFEA inmates who received a high school diploma within the entire fiscal year. It is calculated by dividing the average number of SFEA inmates who received a high school diploma within that fiscal year to the average number of SFEA inmates enrolled within that fiscal year.
- (b) This indicator is calculated as the number of persons who passed the High School Equivalency test divided by the total number of persons who were administered the exam.
- (c) The mandatory education enrollment rate is a reflection of the service target and the number of inmates enrolled in mandatory education.

DEPARTMENT OF EDUCATION

Student Learning & Achievement

Appropriations (in thousands)

State Funds	\$ 36,733	\$ 38,351	\$ 38,451
Non-State Funds	\$ 14,385	\$ 32,375	\$ 42,440

Key Performance Indicators

English Language Arts/Literacy - Grade 3 - Meeting expectations or exceeding expectations	47.5%	48.6%	49.2%
English Language Arts/Literacy - Grade 10 - Meeting expectations or exceeding expectations	44.4%	45.5%	46.1%
Mathematics - Grade 3 - Meeting expectations or exceeding expectations	51.7%	52.8%	53.4%
Mathematics - Algebra I - Meeting expectations or exceeding expectations	41.2%	42.3%	42.9%
Number of Advanced Placement tests taken	119,044	122,000	123,000
Number of Advanced Placement tests scored three or higher	82,870	85,000	86,500
High school graduation rate	90.1%	90.5%	90.8%
Districts implementing kindergarten readiness measure	15.9%	17.0%	17.6%

Educator Effectiveness

Appropriations (in thousands)

State Funds	\$ 1,626	\$ 675	\$ 675
Non-State Funds	\$ 633	\$ 1,218	\$ 1,243

Key Performance Indicators

Local Education Agencies completing key implementation requirements - teacher evaluation	100.0%	99.8%	99.8%
Local Education Agencies completing key implementation requirements - principal evaluation	100.0%	99.8%	99.8%
Percent of NJ teacher preparation programs in compliance with regulations	100.0%	100.0%	100.0%
Average number of days to complete teacher certification reviews	20	20	20

Choice, Innovation and Community Engagement

Appropriations (in thousands)

State Funds	\$ 64,253	\$ 100,039	\$ 111,528
Non-State Funds	\$ (862) (a)	\$ 2,011	\$ 2,656

Key Performance Indicators

Percent of seats in high-performing charter schools (b)	57.6%	59.0%	60.4%
Number of students participating in Interdistrict Choice	5,198	5,109	5,272

Notes:

- (a) Due to a cancelled encumbrance from a prior fiscal year, a negative balance is reflected.
- (b) This percentage represents the number of high-quality seats offered in high-performing charter schools as a percentage of total available seats in charter schools.

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF EDUCATION			
District and School Performance & Efficiency			
Appropriations (in thousands)			
State Funds	\$ 13,985	\$ 15,485	\$ 4,395
Non-State Funds	\$ 18,362	\$ 26,328	\$ 26,328
Key Performance Indicators			
Students with Individualized Education Plans graduating from high school with a regular diploma	78.8%	80.8%	82.8%
Students with Individualized Education Plans aged 6 through 21 served inside the regular class 80% or more of the day	48.1%	49.5%	49.5%
The count of schools that have failed to meet the 75% graduation rate	34	33	32
Responsiveness and Service			
Appropriations (in thousands)			
State Funds	\$ 29,776	\$ 30,389	\$ 29,037
Key Performance Indicators			
Districts receiving 80% or higher on all five Quality Single Accountability Continuum (QSAC) District performance reviews (a)	66.5%	69.5%	70.5%
NJ SMART inquiries returned within 24 hours	100.0%	100.0%	100.0%
Notes:			
(a) The performance of this indicator will vary greatly year over year due to the number of schools that undergo QSAC review in each three-year cycle.			
School Finance			
Appropriations (in thousands)			
State Funds	\$ 12,696,414	\$ 13,283,016	\$ 13,155,480
Non-State Funds	\$ 802,809	\$ 839,868	\$ 825,983
Key Performance Indicators			
School and other capital project long range facilities plans approved	1,100	1,100	1,100
Discretionary grants contracts awarded annually	198	205	205
Entitlement grants contracts awarded annually	2,942	2,942	3,050
Total federal grant dollars administered (in millions)	\$ 808	\$ 882	\$ 905
Federal grant dollars returned to federal government	0.01%	0.01%	0.01%
DEPARTMENT OF ENVIRONMENTAL PROTECTION			
Protecting the Land, Air and Waters of New Jersey			
Appropriations (in thousands)			
State Funds	\$ 242,941	\$ 179,657	\$ 179,849
Non-State Funds	\$ 64,323	\$ 209,224	\$ 209,565
Key Performance Indicators			
Site Remediation Program and Solid Waste Management			
Active site remediation cases (fiscal year average)	14,202	13,900	13,800
Total average review time (in calendar days) for inspection/review of Licensed Site Remediation Professionals (LSRP) documents (monthly average)	165	100	100
Cases with final remediation documents issued (monthly average)	392	370	370
Average time (days) to issue a Remedial Action Outcome for new LSRP cases (monthly average) (a)	837	----	----
Solid Waste Program constituent assistance (monthly average)	388	200	200
Solid Waste recycling certifications in place (annual average)	650	800	800
Compliance and Enforcement			
Total number of new sites participating in Environmental Stewardship Program (monthly average)	16	11	11
Compliance rate, the percentage of inspected facilities where no violations were observed (monthly average)	82.2%	85.0%	85.0%
Number of person-hours of compliance assistance training to help prevent violations before they occur (quarterly average)	1,665	1,200	1,200

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF ENVIRONMENTAL PROTECTION			
Percent of reported incidents responded to within two days (quarterly average)	68.1%	80.0%	80.0%
Percent of planned compliance inspections completed (quarterly average)	98.0%	100.0%	100.0%
<i>Emergency Management</i>			
Number of incidents at NJ Environmental Management System tracked facilities received by the DEP hotline (monthly average)	1,651	1,500	1,500
Number of law enforcement radio calls handled by dispatch for NJ State Park Police, Fish and Wildlife Conservation Officers, NJ Forest Fire Service, Emergency Management and Environmental Management-Radiation Program (monthly average)	1,775	1,300	1,300
Number of incidents referred to the Bureau of Emergency Response (monthly average)	108	100	100
<i>Land Use Management</i>			
Total average review time (in calendar days) to issue a Coastal Zone Management General Permit decision (monthly average)	72	50	50
Total average review time (in calendar days) to issue a Coastal Area Facility Review Act General Permit decision (monthly average) (a)	60	60	---
Total average review time (in calendar days) to issue a Waterfront Development General Permit decision (monthly average) (a)	45	45	---
Total average review time (in calendar days) to issue a Flood Hazard Area General Permit decision (monthly average)	36	35	35
Total average review time (in calendar days) to issue a Freshwater Wetlands General Permit	129	120	120
Number of Tideland licenses processed (monthly average)	21	50	50
Total average review time (in calendar days) to process Tideland licenses (monthly average)	176	150	150
<i>Air Quality</i>			
Ozone Action days - ozone exceedance over acceptable standards (annual average) . . .	27	21	21
Percentage of Air Quality permit activities completed on time (monthly average)	98.1%	95.0%	95.0%
<i>Water Resources Management</i>			
Samples collected for shellfish sanitation compliance (monthly average)	1,139	1,250	1,250
Samples collected to determine coastal beach water quality (seasonal average)	709	960	960
Number of freshwater network samples collected for water quality standards compliance (by calendar year)	1,426	1,574	1,574
Percentage of freshwater monitoring networks completed (by calendar year)	100.0%	100.0%	100.0%
Pounds of phosphorus prevented per year from entering waterbodies statewide due to AmeriCorps NJ Watershed Ambassadors Program cleanups (quarterly)	88	75	75
Total Department average review time (in days) to issue a Treatment Works Approval (TWA) permit decision	59	60	60
Percent of New Jersey Pollutant Discharge Elimination System (NJPDDES) surface water and groundwater discharge permits that are current (monthly)	71.5%	75.0%	75.0%
Municipal stormwater - tons of sediment, solids and trash prevented per year from entering waterbodies statewide due to stormwater infrastructure maintenance (annual)	219,900	300,000	300,000
Environmental Infrastructure Financing Program monthly project outlays (in millions) .	21	25	25
Total Department average review time (in days) to process a Water Allocation Permit . .	219	240	240
Violations of the primary safe drinking water standards (monthly average)	25	30	30

Notes:

(a) KPI discontinued.

Managing Our Natural and Historic Resources

Appropriations (in thousands)

State Funds	\$ 97,762	\$ 118,946	\$ 87,604
Non-State Funds	\$ 124,518	\$ 81,094	\$ 87,348

Key Performance Indicators

Natural and Historic Resources

State parks and forests - total visitors (annual)	16,500,000	17,500,000	17,500,000
Freshwater fishing licenses sold (monthly average)	14,700	14,700	14,700
Overnight stays in State parks and campsites (monthly average)	6,568	6,500	6,500

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF ENVIRONMENTAL PROTECTION			
State Park Police: public service contacts (i.e. campsite checks, outreach programs, etc.) which are indicative of a community policing approach (monthly average)	245	200	200
NJ Forest Fire Service - number of new wildfires on public or private lands suppressed (monthly average)	92	120	120
Division of Fish and Wildlife - number of individual anglers registered with the New Jersey Saltwater Recreational Registry Program (annual)	192,789	265,000	265,000
Division of Fish and Wildlife - number of hunting licenses sold (monthly average)	7,980	8,500	8,500
Division of Fish and Wildlife - number of black bear calls received (annual)	2,209	2,000	2,000
Division of Fish and Wildlife - acres of forest habitat actively managed (annual) (a)	2,583	300	300
Division of Fish and Wildlife - acres of early successional habitat restored (i.e. mowing, burning, tilling, hydroaxing, etc.) (annual)	5,312	5,000	5,000
Endangered and Nongame Species Program - percentage of listed (endangered or threatened) species for which populations are stable or increasing (annual)	86.0%	100.0%	100.0%
NJ Historic Preservation Office - number of cultural resources added to inventory (annual)	781	900	900
Division of Fish and Wildlife Conservation Officers - public contacts (general public, sporting public & commercial fishermen) (monthly average)	3,583	5,000	5,000
Coastal Engineering/Beach Replenishment - linear feet of shore protection, including beach replenishment projects and other storm damage reduction construction activities (annual)	135,100	141,511	140,000
Dam Safety and Flood Control - number of dam inspections determined by the hazard rating of the dams (annual)	399	400	400
Preserved open space acres (monthly average)	254	275	275
Parcels acquired under Blue Acres Program (annual)	157	135	135

Notes:

(a) Fiscal 2016 actuals increased from 300 acres to 2,583 acres due to more favorable climate conditions which allowed Forestry and Forest Fire Service to manage more prescribed burns.

Supporting Economic Growth

Appropriations (in thousands)

State Funds	\$ 166	\$ 166	\$ 163
Non-State Funds	\$ 67	\$ 6	\$ 6

Key Performance Indicators

Permit Coordination

Projects (resulting in less than 50 jobs) receiving consulting help from the new permitting coordination unit (monthly average)	80	70	70
Projects (resulting in greater than 50 jobs) receiving consulting help from the new permitting coordination unit (monthly average)	21	15	15
Pre-application meetings held (monthly average)	38	20	20
State and federal project reviews subject to State Executive Order 215 and National Environmental Policy Act, facilitated and responded to (monthly average)	9	7	7
Environmental assessments (such as categorical exclusions subject to provision 58.5) and Tier 2 reviews facilitated for NJ Department of Community Affairs' federal Department of Housing and Urban Development Community Development Block Grant-Disaster Recovery (HUD CDBG) programs to meet environmental and historic preservation requirements (annual) (a)	982	150	20

Energy and Sustainability

Outreach, referral and technical assistance activities held for small businesses (monthly average)	40	61	61
Growing green industry - solar development on brownfields in megawatts (annual)	40.4	52.0	65.0
In-state generation of clean and renewable energy - electricity in megawatts (quarterly)	52	100	100
Green and Clean Energy - number of permits for geothermal energy (quarterly)	47	40	40
Green and Clean Energy - number of filling stations for compressed natural gas vehicles (cumulative total)	28	33	35
Green and Clean Energy - number of electric vehicles registered in NJ (annual)	3,538	4,000	4,500
Green and Clean Energy - number of charging stations for electric vehicles (cumulative total)	236	350	360

Alternative Dispute Resolution

Disputes received for alternative dispute resolution (monthly average)	4	5	5
Number of cases closed using alternate dispute resolution (quarterly average)	7	5	5

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF ENVIRONMENTAL PROTECTION			
<i>Records Access Open Public Records Act (OPRA)</i>			
OPRA requests received by the Department (annual)	17,723	11,000	11,000
OPRA requests received through the Department's online submittal process (annual) ..	98.5%	97.0%	97.0%
<i>Information Technology</i>			
Electronic submittal services for permits, registrations and reports available (monthly average)	98	170	180
Permits, registrations and reports received electronically	74.5%	75.0%	75.0%
Notes:			
(a) All Tier 2 environmental assessments for the HUD CDBG-Disaster Recovery programs expected to be received by the middle of fiscal 2018. Variance between actuals and targets due to the completion of Super Storm Sandy related HUD CDBG-Disaster Recovery programs.			
DEPARTMENT OF HEALTH			
Delivery of Public Health Services			
Appropriations (in thousands)			
State Funds	\$ 242,596	\$ 236,845	\$ 249,404
Non-State Funds	\$ 446,627	\$ 609,171	\$ 621,739
Key Performance Indicators			
Women, Infants, and Children (WIC) unduplicated participants	272,630	264,500	264,500
Children evaluated for eligibility under Early Childhood Intervention Program	19,523	20,449	21,375
Eligible unduplicated children receiving Early Childhood Intervention Program services ..	26,785	28,686	30,587
HIV/AIDS clients tested and counseled	81,115	82,000	82,000
Breast and/or cervical cancer screenings under New Jersey Cancer Education & Early Detection Program	20,054	19,500	19,500
Lab tests performed by the Public Health and Environmental Health Programs	4,874,124	5,000,000	5,000,000
Newborns screened for metabolic disorders and referred for follow-up	8,792	9,129	9,071
Optimizing Health Quality, Licensing and Oversight			
Appropriations (in thousands)			
State Funds	\$ 167,835	\$ 279,153	\$ 337,150
Non-State Funds	\$ 725,749	\$ 455,239	\$ 403,258
Key Performance Indicators			
<i>Facilities Inspected</i>			
Total inspections of long term care facilities	860	860	860
Total inspections of acute care facilities	338	338	338
<i>Complaints Investigated</i>			
Total complaint investigations of long term care facilities	667	667	667
Total complaint investigations of acute care facilities	414	414	414
Number of vital documents issued	286,826	295,000	295,000
DEPARTMENT OF HUMAN SERVICES			
Olmstead and Services that Promote Community Integration			
Appropriations (in thousands)			
State Funds	\$ 1,279,360	\$ 1,281,314	\$ 1,278,175
Non-State Funds	\$ 660,997	\$ 836,520	\$ 939,746
Key Performance Indicators			
<i>Division of Developmental Disabilities</i>			
Provide expanded support services by moving consumers from 100% State-funded programs to the federally matched Supports Program. Figure represents average monthly enrollment.	120	1,317	5,167
Consumers moved from institutions to community residential placements in order to comply with Olmstead requirement that services be provided in the least restrictive setting.	62	35	54
Olmstead movements as a percentage of the fiscal year starting census.	4.0%	2.0%	4.0%
Federal Community Care Waiver revenues earned to offset State costs for community placements.	\$ 487,011	\$ 508,995	\$ 549,740

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF HUMAN SERVICES			
<i>Division of Mental Health and Addiction Services (a)</i>			
New community placements created to discharge consumers in the State hospitals including those on Conditional Extension Pending Placement (CEPP) status.	180	165	165
New community placements created for individuals diagnosed with mental illness who are at risk of hospitalization or at risk of homelessness.	20	55	35
Clients served in Involuntary Outpatient Commitment program.	725	750	775
Clients served in detoxification settings	8,034	7,559	7,834
Percentage of clients in Opioid Overdose Recovery Program who are admitted for treatment	42.0%	42.0%	45.0%
Services that Promote Economic Independence			
Appropriations (in thousands)			
State Funds	\$ 119,078	\$ 136,003	\$ 146,904
Non-State Funds	\$ 225,906	\$ 418,309	\$ 431,692
Key Performance Indicators			
<i>Commission for the Blind and Visually Impaired</i>			
Persons screened for visual problems by the Commission for the Blind and Visually Impaired.	37,757	38,250	38,750
Commission for the Blind and Visually Impaired clients who exit vocational rehabilitation programs into employment with an hourly wage equivalent or greater than the state or federal minimum wage (whichever is higher).	95.7%	96.5%	96.7%
<i>Division of Family Development</i>			
Work First NJ/Temporary Assistance for Needy Families work participation rate (includes school participation rate).	27.1%	25.0%	25.0%
Services that Ensure the Safety Net			
Appropriations (in thousands)			
State Funds	\$ 908,175	\$ 874,137	\$ 866,034
Non-State Funds	\$ 863,921	\$ 820,022	\$ 800,594
Key Performance Indicators			
<i>Division of Developmental Disabilities</i>			
Developmental center census by end of fiscal year	1,477	1,382	1,291
<i>Division of Mental Health and Addiction Services</i>			
Psychiatric hospital census by end of fiscal year	1,607	1,568	1,549
<i>Division of Family Development</i>			
Percent of current child support orders actually disbursed	67.5%	68.0%	69.0%
<i>General Assistance Compliance Review Teams</i>			
General Assistance cases reviewed	11,726	7,500	7,500
Number of cases reviewed per worker (annually).	1,600	1,250	1,250
Cases closed or denied based on review	568	1,750	1,750
Cash assistance savings	\$ 602,688	\$ 800,000	\$ 800,000
Emergency assistance savings	\$ 1,007,738	\$ 250,000	\$ 250,000
Services that Promote the Availability of Health Care			
Appropriations (in thousands)			
State Funds	\$ 4,120,721	\$ 4,156,947	\$ 4,295,790
Non-State Funds	\$ 8,667,543	\$ 9,406,691	\$ 9,551,901
Key Performance Indicators			
<i>Division of Aging Services</i>			
Residents in nursing homes (monthly average)	27,688	28,207	28,185
<i>Healthcare Effectiveness Data & Information Set Performance Measures for NJ FamilyCare Managed Care Populations</i>			
Children receiving immunizations	68.0%	69.0%	70.0%

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF HUMAN SERVICES			
Children receiving a blood lead screening test	73.0%	78.0%	79.0%
Children receiving a well visit within the first 15 months of life	66.0%	67.0%	68.0%
Children receiving a well visit between ages 3 to 6	78.0%	79.0%	80.0%
Women receiving timely prenatal care	81.0%	82.0%	83.0%
Women receiving timely postpartum care	57.0%	58.0%	59.0%
Diabetes care - members aged 18-75 with a hemoglobin A1C greater than 8%	47.0%	48.0%	49.0%
Body Mass Index documentation - members aged 3-17 with a documented Body Mass Index	69.0%	70.0%	71.0%
<i>Personal Preference Program</i>			
Clients served in NJ Personal Preference Program	10,191	12,750	15,150
<i>Managed Care Plan Accreditation</i>			
Managed Care Plans accredited with "Excellent" or "Commendable" status by the National Committee for Quality Assurance as of June 30	1	3	5
<i>Customer Satisfaction</i>			
Overall health plan satisfaction rate: Adults	73.3%	75.0%	77.0%
Overall health plan satisfaction rate: Children	82.8%	84.0%	86.0%
Personal doctor satisfaction rate: Adults	78.9%	80.0%	81.0%
Personal doctor satisfaction rate: Children	89.3%	91.0%	92.0%
<i>Eligibility and Enrollment</i>			
Average monthly NJ FamilyCare enrollment	1,740,986	1,770,366	1,804,507
Managed Care enrollment - % of Managed Care eligible FamilyCare participants enrolled in Managed Care	93.2%	93.8%	95.0%
Dual Medicare/NJ FamilyCare enrollees	182,357	183,117	183,427
Enrollment in NJ FamilyCare - Children's Health Insurance Program	183,258	200,831	220,165
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT			
Workforce Development			
Appropriations (in thousands)			
State Funds	\$ 88,944	\$ 86,988	\$ 86,988
Non-State Funds	\$ 222,775	\$ 298,467	\$ 298,296
Key Performance Indicators			
<i>Workforce Investment Act (WIA) (a)</i>			
Adult participants who entered employment	85.1%	N/A	N/A
Adult participants' six month average earnings of those who entered employment	\$ 13,039	N/A	N/A
<i>Workforce Innovation and Opportunity Act (WIOA) (a)</i>			
Adult participants who are in unsubsidized employment during the second quarter after exit from the program	N/A	73.3%	73.3%
Adult participants' median earnings who are in unsubsidized employment during the second quarter after exit from the program	N/A	\$ 5,250	\$ 5,250
<i>WIA Dislocated Workers (a)</i>			
Participants who entered employment	83.3%	N/A	N/A
Six month average earnings of those who entered employment	\$ 18,500	N/A	N/A
<i>WIOA Dislocated Workers (a)</i>			
Adult participants who are in unsubsidized employment during the second quarter after exit from the program	N/A	77.0%	77.0%
Adult participants' median earnings who are in unsubsidized employment during the second quarter after exit from the program	N/A	\$ 6,876	\$ 6,876
<i>WIA Youth (age 14 - 21) (a)</i>			
Participants who have attained a high school degree or a GED certificate	75.0%	N/A	N/A
Participants who entered employment or continued their education	68.5%	N/A	N/A

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT			
<i>WIOA Youth (age 16 - 24) (a)</i>			
Program participants who obtain a recognized postsecondary credential, a secondary school diploma or its recognized equivalent during participation in or within one year after exit from the program	N/A	72.8%	73.5%
Participants who are in education, training, or unsubsidized employment during the second quarter after exit from the program	N/A	68.6%	69.0%
<i>Employment Services (a)</i>			
Participants who entered employment	55.0%	N/A	N/A
Six month average earnings of those who entered employment	\$ 17,515	N/A	N/A
<i>WIOA Title III Labor Exchange (a)</i>			
Adult participants who are in unsubsidized employment during the second quarter after exit from the program	N/A	47.8%	48.8%
Adult participants' median earnings who are in unsubsidized employment during the second quarter after exit from the program	N/A	\$ 4,834	\$ 4,882
<i>WorkFirst New Jersey</i>			
Participants who entered employment	33.0%	35.0%	36.0%
<i>Vocational Rehabilitation Services</i>			
Average increase in the hourly rate of pay for those individuals who enter employment	\$ 11.56	\$ 12.30	\$ 12.54
Notes:			
(a) The Workforce Innovation and Opportunity Act (WIOA) revised what were formerly Workforce Investment Act (WIA) and Employment Services performance measures beginning in FY 2017 (FFY 2016).			
Income Security			
Appropriations (in thousands)			
State Funds	\$ 32,637	\$ 38,150	\$ 38,150
Non-State Funds	\$ 183,811	\$ 262,013	\$ 266,013
Key Performance Indicators			
<i>Disability Determinations Services</i>			
Days to process a case	82	82	82
Processed cases deemed accurate by U.S. Social Security Administration sampling	97.0%	97.0%	97.0%
<i>Unemployment Insurance</i>			
Cases receiving first payment within 21 days	80.0%	87.0%	87.0%
Non-monetary determinations decided within 21 days	49.0%	80.0%	80.0%
<i>Benefits Appeals</i>			
Appellate Tribunal (Lower Level Appeals)			
Decisions within 30 days	60.0%	60.0%	60.0%
Decisions within 45 days	80.0%	80.0%	80.0%
Decisions within 90 days	95.0%	95.0%	95.0%
Board of Review (Upper Level Appeals)			
Average age (in days) of active cases	40	40	40
<i>Unemployment Insurance Call Centers</i>			
Average wait time to speak to an agent (in minutes/seconds)	9:59	13:00	13:00
Initial claims filed online	70.0%	68.0%	70.0%
Continued claims filed online	75.0%	78.0%	80.0%
Percentage of initial claims filed without agent assistance	50.0%	60.0%	60.0%
Time to process initial claims handled by agents (in days)	4	4	4
<i>Temporary Disability Insurance</i>			
Cases in which eligibility was determined within 14 days of receipt	65.0%	65.0%	65.0%
Cases in which eligibility was determined within 28 days of receipt	85.0%	85.0%	85.0%

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT			
<i>Family Leave Claims</i>			
Claims in which eligibility was determined within 14 days of receipt	65.0%	65.0%	65.0%
Claims in which eligibility was determined within 28 days of receipt	85.0%	85.0%	85.0%
Workers' Compensation			
Appropriations (in thousands)			
State Funds	\$ 24,387	\$ 15,615	\$ 15,615
Non-State Funds	\$ 179,900	\$ 208,268	\$ 208,268
Key Performance Indicators			
<i>Workers' Compensation</i>			
Emergent medical treatment disputes resolved within 30 days	100.0%	100.0%	100.0%
Non-emergent issues resolved within 60 days	70.0%	70.0%	70.0%
Labor Standards and Safety Enforcement			
Appropriations (in thousands)			
State Funds	\$ 16,490	\$ 4,391	\$ 4,641
Non-State Funds	\$ 4,050	\$ 17,179	\$ 17,179
Key Performance Indicators			
<i>Asbestos Control and Licensing</i>			
Work sites inspected for asbestos abatement and contractors', workers', and supervisors' compliance with licensing requirements	2,760	2,760	2,760
<i>Public Safety</i>			
Crane inspections	550	550	550
Mine inspections	800	800	800
Explosive inspections	1,650	1,650	1,650
Retail gasoline inspections	44	44	44
Fireworks inspections	75	75	75
<i>Public Employees Occupational Safety & Health (PEOSH)</i>			
Complaints investigated within five days as negotiated with OSHA as part of an approved State Plan	100.0%	100.0%	100.0%
<i>On-Site Consultation & Training</i>			
Health and safety consultation visits to public sector employers	166	200	200
Health and safety consultation visits to private sector employers	440	400	400
<i>Boiler and Pressure Vessel Compliance</i>			
Boilers or pressure vessels inspected	28,600	28,600	29,000
<i>Wage and Hour Compliance</i>			
Inspections triggered by a worker complaint that are completed within 90 days	80.0%	80.0%	80.0%
<i>Public Works Contractor Registration</i>			
Applications processed within 30 days of receipt	90.0%	90.0%	90.0%
CIVIL SERVICE COMMISSION			
Classification & Personnel Management			
Appropriations (in thousands)			
State Funds	\$ 10,506	\$ 8,558	\$ 8,366
Key Performance Indicators			
Final layoff plans reviewed and approved within 30 days	100.0%	100.0%	100.0%
State government certifications issued within 10 business days	100.0%	100.0%	100.0%
Local government certifications issued within 5 business days	99.6%	100.0%	100.0%
State and local government titles consolidated or eliminated	31	25	25
Pending classification appeals	218	300	300
Percentage of classification appeals completed within 180 days	94.2%	100.0%	100.0%

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
CIVIL SERVICE COMMISSION			
Selection Services			
Appropriations (in thousands)			
State Funds	\$ 6,042	\$ 6,095	\$ 6,023
Non-State Funds	---	\$ 1,500	\$ 1,500
Key Performance Indicators			
Calendar days from job announcement to list issuance	99	110	110
Job announcements older than six months as a percentage of all active announcements ..	5.0%	5.0%	5.0%
Open Competitive job announcements accepting applications via the Online Application System only	100.0%	100.0%	100.0%
Promotional job announcements accepting applications via the Online Application System only	100.0%	100.0%	100.0%
Average number of minutes a caller remains in the queue until connected to a call center employee	1.5	1.5	1.5
Appeals & Regulatory Affairs			
Appropriations (in thousands)			
State Funds	\$ 3,709	\$ 3,158	\$ 3,031
Non-State Funds	---	\$ 50	\$ 50
Key Performance Indicators			
Complete more written records appeals, including those in a backlog status, than received in the current month	84.9%	105.0%	105.0%
Pending written record appeals aged greater than six months	24.1%	25.0%	25.0%
Training and Development			
Appropriations (in thousands)			
State Funds	\$ 3,512	\$ 1,591	\$ 1,562
Non-State Funds	---	\$ 1,000	\$ 1,000
Key Performance Indicators			
Number of contact training hours - Classroom	44,938	44,000	44,000
Number of contact training hours - Electronic	161,514	120,000	120,000
Number of contact outreach hours - Employee Advisory Service	204	200	200
DEPARTMENT OF LAW AND PUBLIC SAFETY			
Public Safety			
Appropriations (in thousands)			
State Funds	\$ 303,965	\$ 282,737	\$ 280,124
Non-State Funds	\$ 21,790	\$ 184,424	\$ 194,603
Key Performance Indicators			
State Police Uniformed Patrol			
Motor vehicle accident responses	44,366	44,000	44,000
Fatalities under State Police jurisdiction	162	<140	<140
Fatalities suspected to be related to drugs/alcohol	39	<40	<40
Consent search/search warrant arrests resulting from traffic stops	0.2%	0.7%	0.7%
Controlled dangerous substance arrests resulting from traffic stops	0.9%	0.8%	0.8%
Driving while intoxicated arrests resulting from traffic stops	1.1%	1.5%	1.5%
Bench warrant arrests resulting from traffic stops	1.8%	2.0%	2.0%
State Police Investigations Branch			
Total arrests	2,192	2,100	2,100
Fugitive arrests	412	230	230
Gang member arrests	107	115	120
Forensic/Drug Analysis/DNA Testing			
Average time to complete a DNA analysis (days)	151	30	30
Average time to complete a trace case (days)	205	60	60
Average time to complete a toxicology case (days)	54	30	30
Average time to complete a drug case (days)	36	30	30

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF LAW AND PUBLIC SAFETY			
<i>Office of Law Enforcement Professional Standards</i>			
State Police public monitoring reports filed	7	8	8
<i>Criminal Justice</i>			
Criminal investigations - newly opened	1,565	1,646	1,646
Criminal prosecutions - newly initiated	740	691	691
Conviction rate - newly initiated criminal prosecutions (against criminal prosecutions closed)	93.4%	95.0%	95.0%
<i>Medical Examiner Services</i>			
Counties using the State Toxicology Lab	7	7	7
Law enforcement drug tests performed at the State Toxicology Lab	16,624	15,705	15,705
Non-law enforcement drug tests performed at the State Toxicology Lab	194	201	201
Emergency Management			
Appropriations (in thousands)			
State Funds	\$ 23,403	\$ 23,846	\$ 23,353
Non-State Funds	\$ 172,231	\$ 29,500	\$ 29,500
Key Performance Indicators			
<i>Disasters</i>			
Hours spent on preparedness	9,600	9,600	9,600
Exercises/drills performed	58	40	40
Services to the State			
Appropriations (in thousands)			
State Funds	\$ 105,988	\$ 109,399	\$ 98,831
Key Performance Indicators			
Litigation resolved without need of trial	97.6%	97.0%	97.0%
Litigation filed by the State	13,994	13,172	13,172
Services to the Public			
Appropriations (in thousands)			
State Funds	\$ 143,447	\$ 89,420	\$ 89,439
Non-State Funds	\$ 29,371	\$ 151,249	\$ 155,618
Key Performance Indicators			
<i>Bureau of Securities</i>			
Average response time to an investor from a complaint (days)	1	1	1
Total registrations	41,367	42,000	42,000
Broker/dealer registrations	0.3%	0.3%	0.3%
Investment advisers registrations	0.7%	0.7%	0.7%
Broker dealer agents registrations	93.8%	93.8%	93.8%
Investment adviser representatives registrations	5.2%	5.2%	5.2%
<i>Gaming</i>			
Number of revenue certification audits completed	216	216	204
Gaming inspections - slot machines	66,518	66,000	56,400
Field inspections - slot machines	100.7%	100.0%	100.0%
HOMELAND SECURITY AND PREPAREDNESS			
Counterterrorism			
Appropriations (in thousands)			
State Funds	\$ 2,108	\$ 1,772	\$ 1,549
Key Performance Indicators			
<i>Counterterrorism Production</i>			
Executive intelligence briefs and intelligence notes published	100	100	100
Intelligence assessments published	1	5	5
Podcasts	--- (a)	40	40

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
HOMELAND SECURITY AND PREPAREDNESS			
<i>Counterterrorism Awareness</i>			
External briefings	281	300	300
Webinars	16	15	15
<i>Public-Private Counterterrorism Partnerships</i>			
Suspicious activity reports received	1,614	1,650	1,650
New customers reached	1,416	1,000	1,000
Community outreach and contacts	--- (a)	500	500
<i>Counterterrorism Operations</i>			
Suspicious activity assessments	1,011	1,100	1,100
Joint security details	54	60	60
Tripwires	1,269	2,300	2,300
Investigations	--- (a)	700	700
Notes:			
(a) Establishing baseline.			
Resiliency			
Appropriations (in thousands)			
State Funds	\$ 3,481	\$ 2,013	\$ 2,760
Key Performance Indicators			
<i>Federal Grant Programs</i>			
Total federal grant dollars managed	\$ 142,032	\$ 145,242	\$ 99,780
Total percentage of grant dollars returned to the federal government	0.0%	0.0%	0.0%
<i>Infrastructure Protection</i>			
Number of security assessments completed	--- (a)	150	150
<i>Trainings/Exercises/Outreach Completed</i>			
Number of instructor-led training sessions provided	--- (a)	175	175
Number of attendees at instructor-led sessions	--- (a)	8,500	8,500
Number of online course completions	--- (a)	60,300	73,500
Number of exercises delivered	--- (a)	32	32
Number of outreach events conducted	--- (a)	16	24
<i>Resiliency Research and Analysis</i>			
Number of infrastructure and preparedness products published	--- (a)	150	150
Notes:			
(a) Establishing baseline.			
Cybersecurity			
Appropriations (in thousands)			
State Funds	---	\$ 6,193	\$ 6,169
Key Performance Indicators			
<i>Cyber Operations</i>			
Malicious emails blocked (in millions)	201	250	250
Intrusion Detection System/Intrusion Prevention System cyber events alerted on/blocked/logged (billions)	544	750	750
Phishing attacks detected (millions)	124	200	200
Denial of service attacks alerted on or blocked	5	25	40
<i>Cyber Analysis</i>			
Cyber situation reports published	11	8	12
Cyber alerts released	155	150	150
Cyber threat analysis published	341	360	360

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
HOMELAND SECURITY AND PREPAREDNESS			
<i>Public-Private Partnerships</i>			
New members registered with the New Jersey Cybersecurity and Communications Integration Cell	1,339	2,500	3,000
Cyber incident reports received	84	150	250
<i>Automated Indicator Sharing</i>			
Cyber threat indicators shared	24,120	36,500	36,500
Cyber threat indicators consumed	367,080	500,000	500,000
<i>Cybersecurity Awareness</i>			
Briefings delivered	69	100	100
Webinars hosted	7	12	18
<i>Cybersecurity Incident Response</i>			
Cybersecurity incident response team activations	--- (a)	6	30
<i>Cybersecurity Risk Assessments</i>			
Risk assessments conducted	--- (a)	8	50
System vulnerability assessments conducted	--- (a)	250	1,500
Application vulnerability assessments conducted	--- (a)	52	1,500
Notes:			
(a) Establishing baseline.			

MILITARY AND VETERANS' AFFAIRS

National Guard Support Services

Appropriations (in thousands)

State Funds	\$ 9,558	\$ 5,306	\$ 5,306
Non-State Funds	\$ 28,346	\$ 40,834	\$ 40,447

Key Performance Indicators

Assigned strength, NJ Army National Guard	100%	100%	100%
Assigned strength, NJ Air National Guard	100%	100%	100%
Military use days, NJ Joint Training Center at Sea Girt	28,896	30,000	30,000
Other use days, NJ Joint Training Center at Sea Girt	178,356	180,900	180,900
NJ Youth ChalleNGe Academy Cadet graduations per class	100	100	100
Academic credentials awarded per class (a)	70	60	50

Notes:

(a) Decline is attributable to the increased rigorousness of the GED in conjunction with the general decline in entering cadets' academic achievement level. The program continues to deliver improvement in academic achievement of cadets with an average increase of two grade levels.

Veterans' Outreach and Assistance

Appropriations (in thousands)

State Funds	\$ 13,112	\$ 10,653	\$ 10,092
Non-State Funds	\$ 14	\$ 2,731	\$ 2,730

Key Performance Indicators

Total State veteran services provided (a)	91,788	92,000	92,000
Catastrophic entitlement	216	220	225
Total number of veteran transportation rides	20,964	22,000	23,000
Post Traumatic Stress Disorder counseling sessions conducted	18,540	19,000	20,400
Veterans' Haven (North) occupancy rate	90%	85%	85%
Veterans' Haven (South) occupancy rate	75%	62%	75%
Burial services	3,116	3,084	3,092

Notes:

(a) Total State veteran services was historically reported as a monthly total, while other statistics are reported as annual amounts. In addition, the methodology and accuracy of the data collected has improved. For consistency, fiscal 2016 Actual and fiscal 2017 Revised amounts were adjusted to conform with the fiscal 2018 Performance Target.

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
MILITARY AND VETERANS' AFFAIRS			
Domiciliary and Treatment Services			
Appropriations (in thousands)			
State Funds	\$ 81,139	\$ 81,261	\$ 80,411
Non-State Funds	\$ 9,898	\$ 11,520	\$ 10,970
Key Performance Indicators			
Occupancy rate, Menlo Park Veterans' Memorial Home	100%	100%	100%
Approved waiting list, Menlo Park (as a % of capacity)	50%	50%	50%
Occupancy rate, Paramus Veterans' Memorial Home	100%	100%	100%
Approved waiting list, Paramus (as a % of capacity)	30%	30%	30%
Occupancy rate, Vineland Veterans' Memorial Home	100%	100%	100%
Approved waiting list, Vineland (as a % of capacity)	50%	50%	50%
State Approving Agency Services			
Appropriations (in thousands)			
State Funds	---	\$ 15	\$ 15
Non-State Funds	\$ 572	\$ 552	\$ 552
Key Performance Indicators			
Program approvals granted	675	700	700
DEPARTMENT OF STATE			
Economic Vitality - The Partnership for Action			
Appropriations (in thousands)			
State Funds	\$ 13,602	\$ 13,957	\$ 13,769
Non-State Funds	\$ 515	\$ 820	\$ 920
Key Performance Indicators			
Companies assisted	23,000	21,500	21,500
Business proposals produced	171	151	151
Business people assisted by the Business Call Center	28,200	30,500	30,500
Number of visits to business portal website	825,000	858,000	858,000
Number of page views to business portal website	1,945,000	1,960,000	1,960,000
Tourism destination marketing organization grants awarded	13	13	13
Tourism cooperative marketing applications received	66	66	70
Tourism cooperative marketing grants awarded	30	33	35
Tourism economic impact (\$ billions)	\$43	\$44	\$44
Number of visits to travel and tourism website	3,800,000	4,000,000	4,200,000
Number of page views to travel and tourism website	8,000,000	8,400,000	8,800,000
Cultural and Historical Programs			
Appropriations (in thousands)			
State Funds	\$ 24,194	\$ 24,315	\$ 26,153
Non-State Funds	\$ 1,402	\$ 1,432	\$ 1,432
Key Performance Indicators			
Council on Arts, Historical Commission, Cultural Trust			
Grant applications received	427	419	413
Grants awarded	341	307	307
Technical assistance and outreach sessions	1,443	1,440	1,440
Total private matching dollars (leverage by awards)	\$44,400,000	\$44,884,000	\$42,855,000
Total spending by grantees	\$282,600,000	\$288,000,000	\$288,500,000
Total direct jobs created by grantees	21,520	23,500	23,500
Total number of attendees at grantee events	8,328,000	9,076,000	9,225,000
Total number of web patrons at grantee programs	21,200,000	23,305,000	26,000,000
State Museum			
Visitors to State Museum & Planetarium	155,000	158,000	161,000
Educational programs conducted	775	790	806

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF STATE			
<i>State Archives</i>			
Number of new data base records created	183,000	180,000	180,000
Research and reference requests answered (Archives)	98,000	95,000	95,000
Civic Engagement Responsibilities			
Appropriations (in thousands)			
State Funds	\$ 14,960	\$ 15,145	\$ 15,106
Non-State Funds	\$ 5,719	\$ 6,195	\$ 6,492
Key Performance Indicators			
<i>Elections (a)</i>			
Voter registrations received	342,000	400,000	365,000
Voter education training and outreach sessions	180	180	180
Accessible polling places	3,548	3,548	3,548
Division of Elections website page views	809,000	950,000	850,000
Division of Elections website visits	1,741,000	2,000,000	1,850,000
Division of Elections website-voter registration forms downloaded	187,000	250,000	200,000
Division of Elections website-voter registration look ups	1,330,000	1,600,000	1,500,000
Division of Elections website-polling place locator look ups	745,100	1,000,000	1,000,000
<i>Division of Programs</i>			
Grant applications received	172	185	185
Grants awarded	106	146	146
Technical assistance and outreach sessions	81	87	87
National service/volunteer participants	138	145	145
Number of at-risk receiving services	10,650	10,650	10,699
Number of seniors receiving services	3,877	3,020	3,055
Number of participants-English as Second Language courses	718	1,070	1,070
Notes:			
(a) In Elections, KPI targets account for a Presidential Election in fiscal year 2017 and a Gubernatorial Election in fiscal 2018.			
DEPARTMENT OF TRANSPORTATION			
Infrastructure			
Appropriations (in thousands)			
State Funds	\$ 1,182,986	\$ 1,188,799	\$ 1,154,840
Non-State Funds	\$ 924,667	\$ 1,426,918	\$ 1,697,555
Key Performance Indicators			
State highway pavement in acceptable condition (calendar year)	60.0%	67.0%	68.0%
State-maintained bridges 20 feet or more in length in acceptable condition (calendar year)	88.5%	88.4%	88.4%
State-maintained bridge deck area in acceptable condition (calendar year)	87.8%	87.7%	87.7%
Competitive municipal aid grants awarded by municipalities within 24 months	87.0%	90.0%	90.0%
County aid funds awarded by counties within 36 months	96.0%	90.0%	90.0%
Planned construction projects that have been awarded	98.0%	95.0%	95.0%
Safety			
Appropriations (in thousands)			
State Funds	\$ 15,056	\$ 15,293	\$ 15,466
Non-State Funds	\$ 101,452	\$ 143,782	\$ 164,352
Key Performance Indicators			
Traffic fatalities per 100 million vehicle miles traveled (calendar year)	0.77	0.76	0.76
Serious injuries per 100 million vehicle miles traveled (calendar year)	1.60	1.52	1.47
Notes:			
Performance data is now reported using a five-year rolling average in order to account for large year-to-year fluctuations in data.			

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF TRANSPORTATION			
Operating and Maintenance			
Appropriations (in thousands)			
State Funds	\$ 66,997	\$ 161,693	\$ 162,675
Non-State Funds	\$ 383,062	\$ 105,527	\$ 118,946
Key Performance Indicators			
Average response time for emergency pothole repair (in hours/minutes)	3:24	5:00	5:00
Number of traffic signals inspected	5,908	6,000	6,000
Percentage of traffic signals needing repair	17.0%	18.0%	18.0%
Crew responses within 90 minutes to electrical operations emergencies such as traffic signal failures	71.0%	73.0%	73.0%
Number of street lights relamped	799	400	400
Average department bill processing time frame for capital payments (in days)	20	24	24
Number of tons of trash picked up	3,402	3,500	3,500
Number of roadway miles machine swept (in-house and contract)	10,260	10,000	10,000
Number of inlets inspected/cleaned	97,429	68,000	68,000
Number of Barnegat Bay basins inspected/cleaned	94/11	94/20	94/20
Number of acres mowed	41,484	38,000	38,000
Mobility and Congestion Relief			
Appropriations (in thousands)			
State Funds	\$ 48,621	\$ 22,090	\$ 22,340
Non-State Funds	\$ 202,953	\$ 288,449	\$ 336,666
Key Performance Indicators			
Average State highway incident duration (in minutes)	44	42	42
MOTOR VEHICLE COMMISSION (MVC)			
Improve Driver and Vehicle Safety			
Appropriations (in thousands)			
Non-State Funds	\$ 111,721	\$ 125,625	\$ 147,419
Key Performance Indicators			
Percent of participants who pass the motorcycle certified rider safety course	82.0%	100.0%	100.0%
Average number of bus safety inspections per person per day	5.1	5.0	5.0
Wait time for an emissions inspection at a MVC inspection lane (minutes)	10.0	8.0	8.0
Service Delivery Levels - Driver Testing			
To receive a scheduled road test for a class D driver license (calendar days)	17.0	< 20.0	< 20.0
To receive a scheduled road test for a CDL driver license (calendar days)	59.0	< 45.0	< 45.0
To receive a scheduled road test for a motorcycle driver license (calendar days) (a)	2.0	< 10.0	< 10.0
Service Delivery Levels - Correspondence Response Times			
To speak with a representative for general information (minutes)	6.0	5.0	5.0
To receive a response from an email (business days)	1.0	1.0	1.0
To receive a response from a letter (business days)	10.0	10.0	10.0
Percent of medical review cases backlogged over three weeks	2.0%	< 10.0%	---- (b)
Percent completion rate of those attending mandatory Probationary Driver Program Training	92.0%	100.0%	---- (b)
Notes:			
(a) Motorcycle training and testing services do not operate from October through March.			
(b) KPI discontinued.			

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	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
MOTOR VEHICLE COMMISSION (MVC)			
Improve Customer Identification and Document Security			
Appropriations (in thousands)			
Non-State Funds	\$ 177,997	\$ 163,718	\$ 169,623
Key Performance Indicators			
Percent of suspected facial image fraud forwarded for action within the month of discovery	100.0%	100.0%	100.0%
Percent of major stakeholders trained in fraud/forgery prevention (goal is four training classes to law enforcement per month)	81.5%	100.0%	100.0%
Service Delivery Levels			
Average customer wait time to be served at a field agency (minutes)	N/A	N/A	15 (a)
Percent of qualifying mail-in license renewals processed at agency offices	92.5%	< 65.0%	< 65.0%
Percent of qualifying mail-in license renewals processed through the mail	7.5%	> 35.0%	> 35.0%
Percent of registration renewals conducted online	27.6%	> 38.0%	> 38.0%
Percent of registration renewals conducted at local agency offices	31.7%	< 20.0%	< 20.0%
Percent of registration renewals conducted through the mail	38.9%	> 42.0%	> 42.0%
Percent of operating time servicing target events	N/A	N/A	> 75.0% (a)
Notes:			
(a) Establishing baseline.			
Improve Financial Sustainability			
Appropriations (in thousands)			
Non-State Funds	\$ 8,311	\$ 16,529	\$ 16,655
Key Performance Indicators			
Percentage of total federal grant dollars expended for those grants closed during the current state fiscal year	99.3%	84.2%	100.0%
DEPARTMENT OF THE TREASURY			
Revenue Generation (including Cost Management)			
Appropriations (in thousands)			
State Funds	\$ 101,068	\$ 101,798	\$ 88,733
Non-State Funds	\$ 18,698	\$ 26,596	\$ 39,867
Key Performance Indicators			
Number of audit completions (Taxation)	120,000	112,000	124,000
Average deposit turnaround in business days (Revenue)	2	2	2
Projected Growth Rate (actual cash collections)			
Gross Income Tax	0.8%	4.4%	3.6%
Sales	3.7%	1.0%	1.7%
Corporation Business	-13.5%	7.6%	5.0%
Asset Management			
Appropriations (in thousands)			
State Funds	\$ 40,300	\$ 38,260	\$ 37,860
Non-State Funds	\$ 23,787	\$ 26,499	\$ 26,424
Key Performance Indicators			
Pension fund investment return in excess of benchmark (Investments)	-1.1%	0.3%	0.3%
Injury rate per employee (Risk Management)	5.1%	6.0%	6.0%
Amount reunited with owner (Unclaimed Property)	\$137,319,653	\$130,000,000	\$130,000,000
Services to the Public or Local Government Entities			
Appropriations (in thousands)			
State Funds	\$ 25,528	\$ 32,440	\$ 32,470
Non-State Funds	\$ 53,861	\$ 46,244	\$ 46,244

FY18 Citizens' Guide: Core Mission Summaries

	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
DEPARTMENT OF THE TREASURY			
Key Performance Indicators			
<i>Call centers customer service levels (% answered vs. received)</i>			
Taxation	80.0%	80.0%	80.0%
Pensions & Benefits	71.0%	70.0%	70.0%
Revenue	95.0%	93.0%	93.0%
Business formation/registrations and amended filings processed electronically (Revenue)	95.0%	91.0%	93.0%
Statewide Support Service			
Appropriations (in thousands)			
State Funds	\$ 55,433	\$ 43,128	\$ 37,087
Non-State Funds	\$ 9,253	\$ 6,218	\$ 6,143
Key Performance Indicators			
Procurement awards affirmed after protest (Purchase and Property)	90.0%	90.0%	90.0%
Cost per printed impression by the State Print Shop (Admin)	\$0.15	\$0.17	\$0.17
Cost per printed copy by the State Print Shop (Admin)	\$0.05	\$0.05	\$0.05
Monthly cost per State-owned vehicle (Admin)	\$284	\$275	\$275
Revenue deposited through electronic funds transfer (Revenue)	80.0%	78.0%	78.0%
BOARD OF PUBLIC UTILITIES (BPU)			
Assure Safe Utility Service Delivery			
Appropriations (in thousands)			
State Funds	\$ 4,664	\$ 5,205	\$ 5,217
Non-State Funds	\$ 75	\$ 671	\$ 671
Key Performance Indicators			
Utility damages per 1,000 markout requests	3.11	3.00	3.00
Assure Reliable Utility Service Delivery			
Appropriations (in thousands)			
State Funds	\$ 4,664	\$ 5,207	\$ 5,218
Non-State Funds	\$ 75	\$ 666	\$ 666
Key Performance Indicators			
Number of pipeline inspections per 100 miles of main and transmission pipelines in service	1.20	1.20	1.30
Promote Affordable Utility Service			
Appropriations (in thousands)			
State Funds	\$ 67,976	\$ 72,801	\$ 72,783
Non-State Funds	\$ 75	\$ 540	\$ 540
Key Performance Indicators			
Average monthly NJ residential gas bill - (\$/therm)	\$0.99	\$0.99	\$0.99
Average monthly NJ residential electric bill - (\$/kwh)	\$0.17	\$0.17	\$0.17
Average monthly NJ residential water bill - (\$/month)	\$47.00	\$47.00	\$48.00
Post-Distribution System Improvement Charge (DSIC) lost and accounted for water	10.0%	10.0%	10.0%
Provide Effective Customer Service			
Appropriations (in thousands)			
State Funds	\$ 4,664	\$ 5,153	\$ 5,136
Non-State Funds	\$ 75	\$ 375	\$ 375
Key Performance Indicators			
Number of complaints filed - all utilities (annual average)	22,449	23,347	24,245
Number of complaints received - cable (monthly average)	501	571	575

FY18 Citizens's Guide: Core Mission Summaries

	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
BOARD OF PUBLIC UTILITIES (BPU)			
Promote Clean Energy Sources			
Appropriations (in thousands)			
State Funds	\$ 3,194	\$ 4,086	\$ 4,098
Non-State Funds	\$ 3,396	\$ 3,832	\$ 3,832
Key Performance Indicators			
State facility energy audits updated or completed	4	4	4
Number of NJ municipalities and school districts utilizing BPU funds (Clean Energy and/American Recovery and Reinvestment Act) to implement energy efficiency programs or renewable energy projects	530	530	530
ECONOMIC DEVELOPMENT AUTHORITY (EDA)			
Advancing Job Creation and Retention Incentives to Grow Businesses in New Jersey			
Appropriations (in thousands)			
State Funds	\$ 3,963	---	---
Key Performance Indicators			
Percentage of Grow New Jersey projects approved through the New Jersey Economic Opportunity Act of 2013 located in Garden State Growth Zones and distressed municipalities	63.0%	50.0%	N/A
Percent of Grow New Jersey projects approved through the New Jersey Economic Opportunity Act of 2013 receiving increases for "Transit Oriented development"	37.0%	35.0%	N/A
Number of applications approved under the Grow New Jersey program through the New Jersey Economic Opportunity Act of 2013	75	90	N/A
Providing Financing to Small and Mid-Sized Businesses and Not-for-Profits			
Appropriations (in thousands)			
State Funds	---	---	\$ 250
Non-State Funds	\$ 41,398	\$ 41,000	\$ 41,000
Key Performance Indicators			
Amount of assistance provided through financial support to small businesses, including Sandy recovery activities to small businesses and communities (in millions)	\$317.7	\$320.0	N/A
Percent of approved loans located within Garden State Growth Zones or distressed municipalities (as defined within the New Jersey Economic Opportunity Act of 2013) ..	66.0%	70.0%	N/A
Supporting Redevelopment Projects that Revitalize Communities and Stimulate the Economy			
Appropriations (in thousands)			
State Funds	\$ 2,801	\$ 23,906	\$ 24,830
Key Performance Indicators			
New jobs on Fort Monmouth property by end of calendar year	167	239	N/A
Number of square feet redeveloped on Fort Monmouth property by end of calendar year ..	73,000	410,000	N/A
Percent of Economic Redevelopment and Growth (ERG) projects approved through the New Jersey Economic Opportunity Act of 2013 located in Garden State Growth Zones or distressed municipalities	100.0%	90.0%	N/A

Notes:

The NJEDA operates on a calendar year, rather than on the State's fiscal year. As a result, all 2016 Actuals are for the third quarter of calendar year 2016. Fiscal 2017 Revised Targets are for calendar year 2017.

FY18 Citizens' Guide: Core Mission Summaries

	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
OFFICE OF INFORMATION TECHNOLOGY (OIT)			
IT Governance, Planning and Control			
Appropriations (in thousands)			
State Funds	\$ 10,165	\$ 11,119	\$ 10,969
Key Performance Indicators			
<i>Policy & Governance</i>			
System Architecture Reviews Performed	213	200	200
Procurements Reviewed (a)	2,408	1,236	1,270
Policies Published/Updated	63	75	25
Notes:			
In addition to the Office of Information Technology's total State appropriation, the amounts above also include receipts collected from State agencies supported by fees, federal funds and other dedicated sources.			
(a) The expected decrease in procurements reviewed results from an increase in the threshold for OIT review.			
Maintaining a Secure Shared IT Infrastructure			
Appropriations (in thousands)			
State Funds	\$ 85,901	\$ 94,091	\$ 92,491
Key Performance Indicators			
<i>Operations</i>			
Servers hosted	1,385	1,440	1,500
Network endpoints managed	1,466	1,380	1,370
Network availability	100.0%	100.0%	99.9%
Storage capacity (Terabyte)	8,500	11,000	11,500
Changes successfully implemented	99.5%	99.5%	99.6%
Notes:			
In addition to the Office of Information Technology's total State appropriation, the amounts above also include receipts collected from State agencies supported by fees, federal funds and other dedicated sources.			
Developing and Maintaining Agency and Enterprise Applications			
Appropriations (in thousands)			
State Funds	\$ 15,246	\$ 16,678	\$ 16,453
Key Performance Indicators			
<i>Application Development</i>			
Agency applications maintained	591	351	396
Enterprise applications maintained	57	57	65
New applications developed	--- (a)	40	40
Agencies supported	14	14	17
Notes:			
In addition to the Office of Information Technology's total State appropriation, the amounts above also include receipts collected from State agencies supported by fees, federal funds and other dedicated sources.			
(a) Establishing baseline.			
Supporting State and Local Emergency Telecommunications Services			
Appropriations (in thousands)			
State Funds	\$ 13,789	\$ 14,022	\$ 27,722
Key Performance Indicators			
<i>Office of Emergency Telecommunication Services</i>			
Training recertifications completed within 30 days from receipt	100.0%	100.0%	100.0%
Sufficient system capacity maintained for public safety entities on the Statewide P-25 trunked radio system	99.0%	99.0%	99.0%

FY18 Citizens's Guide: Core Mission Summaries

	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
OFFICE OF INFORMATION TECHNOLOGY (OIT)			
Delivering Enterprise Services			
Appropriations (in thousands)			
State Funds	\$ 15,246	\$ 16,678	\$ 16,453
Key Performance Indicators			
<i>Enterprise Services</i>			
CloudConnect users	--- (a)	34,000	50,000
eCats users	40,800	44,000	50,000
VOIP users	--- (a)	4,000	8,000
myNewJersey users	930,000	1,050,000	1,100,000
Enterprise video services users	--- (a)	350	350
Application systems secured by myNewJersey	197	201	215
Notes:			
In addition to the Office of Information Technology's total State appropriation, the amounts above also include receipts collected from State agencies supported by fees, federal funds and other dedicated sources.			
(a) Establishing baseline.			
OFFICE OF THE PUBLIC DEFENDER (OPD)			
Providing Appropriate Effective Legal Counsel			
Appropriations (in thousands)			
State Funds	\$ 124,402	\$ 125,655	\$ 126,577
Non-State Funds	\$ 237	\$ 223	\$ 223
Key Performance Indicators			
<i>Trial Services to Indigents</i>			
Adult criminal - newly opened cases (annual)	57,909	58,621	58,621
Adult criminal - closed cases (annual)	56,748	57,449	57,449
Juvenile criminal - newly opened cases (annual)	8,021	8,123	8,123
Juvenile criminal - closed cases (annual)	7,863	7,960	7,960
Post-conviction relief - opened cases	720	584	584
Post-conviction relief - closed cases	664	828	828
<i>Appellate Services to Indigents</i>			
Notices of new direct appeals of criminal convictions or sentences filed in Appellate Division of NJ Superior Court	1,403	1,424	1,424
Number of Excessive Sentence program dispositions	677	600	600
Number of briefs filed	802	650	650
Number of dismissals/administrative closings	208	200	200
Petitions for certification to NJ Supreme Court	526	526	526
<i>Office of Parental Representation (Title 9 proceedings)</i>			
Indigent parent charged with Civil Abuse/Neglect (Title 9) - newly opened cases (annual)	6,821	6,821	6,821
Indigent parent charged with Civil Abuse/Neglect (Title 9) - closed cases (annual)	7,840	6,821	6,852
<i>Office of Parental Representation (Title 30 proceedings)</i>			
Indigent parent in Termination of Parental Rights (Title 30) - newly opened cases (annual)	1,335	1,335	1,335
Indigent parent in Termination of Parental Rights (Title 30) - closed cases (annual)	1,254	1,420	1,335
<i>Office of Parental Representation</i>			
Combined Parental Representation average attorney caseload (includes per diem attorneys)	72	75	75
<i>Office of Law Guardian (Title 9 proceedings)</i>			
Children subject to Abuse/Neglect complaints (Title 9) - newly opened cases (annual)	8,286	8,286	8,286
Children subject to Abuse/Neglect complaints (Title 9) - closed cases (annual)	8,842	8,297	8,281

FY18 Citizens' Guide: Core Mission Summaries

	Actual FY 2016	Performance Target FY 2017	Performance Target FY 2018
OFFICE OF THE PUBLIC DEFENDER (OPD)			
<i>Office of Law Guardian (Title 30 proceedings)</i>			
Children in Termination of Parental Rights (Title 30) - newly opened cases (annual) . . .	1,644	1,644	1,644
Children in Termination of Parental Rights (Title 30) - closed cases (annual)	1,523	1,650	1,638
<i>Office of Law Guardian</i>			
Combined Law Guardian average attorney caseload (includes per diem attorneys)	116	88	88
<i>Division of Mental Health Advocacy</i>			
Mental health hearings	30,379	30,379	30,379
Scheduled hearings - average number of attorney appearances	1,321	1,215	1,215
Number of scheduled initial and periodic review hearings	18,533	18,533	18,533
Number of outpatient commitment hearings	1,325	1,325	1,325
Number of scheduled voluntary review hearings	4,490	4,490	4,490
Number of scheduled placement review hearings for individuals who do not meet the commitment standards	5,755	5,755	5,755
Percentage of completed hearings where client objective obtained	85.9%	84.0%	84.0%
Number of persons represented for other types of activities	276	276	276
Number of represented individuals who are committed involuntarily under the sexually violent predators law	544	545	545
Number of Division of Developmental Disabilities' clients represented at guardianship of the person hearings - newly opened cases	290	290	290
Providing Mediation Services			
Appropriations (in thousands)			
State Funds	\$ 391	\$ 406	\$ 406
Non-State Funds	\$ 524	\$ 341	\$ 341
Key Performance Indicators			
<i>Office of Dispute Settlement</i>			
Mediation - newly opened cases	1,179	1,116	1,116
Average mediator caseload	197	186	186
Foreclosure mediation - newly opened cases	1,108	1,068	1,068
Foreclosure mediation - closed cases	1,207	1,180	1,180
Percentage of foreclosure mediation cases resolved	60.6%	60.3%	60.3%
General civil court mediation - newly opened cases	71	48	48
General civil court mediation - closed cases	54	32	32
New home warranty program (State plan) arbitration hearings - newly opened cases . . .	92	120	120
New home warranty program (State plan) arbitration hearings - closed cases	86	100	100
New home warranty program (private plan) arbitration hearings - newly opened cases . .	79	100	100
New home warranty program (private plan) arbitration hearings - closed cases	75	100	100

Appendix

July 4, 2017

ASSEMBLY BILL NO. 5000

To the General Assembly:

I am making only minor changes to this bill concerning language provisions. Accordingly, pursuant to Article V, Section I, Paragraph 15 of the New Jersey Constitution, I am appending to Assembly Bill No. 5000, at the time of my signing it, my statement of items, or parts thereof, to which I object so that each item, or part thereof, so objected to shall not take effect.

[seal]

Respectfully,

/s/ Chris Christie

Governor

Attest:

/s/ Robert L. Garrenger

Acting Chief Counsel to the Governor

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22 DEPARTMENT OF COMMUNITY AFFAIRS
50 Economic Planning, Development, and Security
55 Social Services Programs
DIRECT STATE SERVICES

Direct State Services:

- 36** "Notwithstanding the provisions of any law, rule or regulation to the contrary, every household in the State that is eligible to receive benefits under the Supplemental Nutrition Assistance Program (SNAP) established pursuant to the "Food and Nutrition Act of 2008," Pub.L.110-246 (7 U.S.C. s.2011 et seq.) shall receive a minimum annual energy assistance payment of \$21 in order to qualify the household for a heating and cooling standard utility allowance under the SNAP program, in accordance with 7 U.S.C. s.2014(e)(6)(c), unless a standard utility allowance would have been unavailable to the household under the State and federal criteria for SNAP and any applicable energy assistance programs that were in place as of July 1, 2013. This annual payment shall be disbursed in accordance with the provisions of the Low Income Home Energy Assistance Program (LIHEAP), established pursuant to Pub.L.97-35, Title XXVI (42 U.S.C. s.8621 et seq.) or other energy assistance programs for which the household is eligible, as applicable. Any costs associated with increasing LIHEAP payments first shall be charged to the unexpended balance of federal funds available for the LIHEAP program, to the extent permitted by federal law and regulation."

The quoted language is deleted in its entirety.

34 DEPARTMENT OF EDUCATION
30 Educational, Cultural, and Intellectual Development
31 Direct Educational Services and Assistance
STATE AID

State Aid:

- 50** "Notwithstanding the provisions of any law or regulation to the contrary, following notification to the Joint Budget Oversight Committee there are appropriated to the Emergency Fund account such additional amounts as may be required to fund approved applications for((emergency)) aid following district needs assessments conducted by the Department of Education, subject to the approval of the Director of the Division of Budget and Accounting. The Commissioner of Education may use an amount appropriated to the Emergency Fund to provide((a loan)) to a school district that is experiencing fiscal distress as a result of receiving less State school aid in the 2017-2018 school year than the amount received in the prior school year. The commissioner shall determine the repayment terms((including the amount of interest)), if any, that will be assessed."

The language within double parentheses is deleted.

- 53** "From the amount hereinabove appropriated for Preschool Education Expansion Aid, the Commissioner of Education shall provide State aid to((no more than 17 qualified)) districts for the purpose of providing free access to full-day preschool for((all)) three- and four-year old children residing in the school district in accordance with the preschool quality standards adopted by the commissioner((, including assistance to districts with the highest concentrations of at-risk pupils to prepare to operate full-day preschool programs)). The commissioner shall determine which((qualified)) districts shall receive Preschool Education Expansion Aid based on a district's demonstration of its readiness to operate a preschool program consistent with the preschool quality standards((, and shall give priority to qualified districts having the highest concentration of at-risk pupils, as defined pursuant to section 3 of P.L.2007, c.260 (C.18A:7F-45), among all qualified districts. The commissioner shall calculate the aid pursuant to the provisions of subsection a. of section 12 of P.L.2007, c.260 (C.18A:7F-54) based on the projected preschool enrollment. For the purposes of this provision, "qualified district" means a school district that: (1) pursuant to the provisions of section 12 of P.L.2007, c.260 (C.18A:7F-54), is to provide free access to full-day preschool to all three- and four-year old children who reside in the district; (2) does not receive any other State funding to provide such access to full-day preschool to all three- and four-year old children; (3) does not receive funds from a subgrant from the federal Preschool Development Grants program; and (4) has at least 75 resident four-year old children who reside in households in which the household income is no greater than 185 percent of the federal poverty guidelines))."

The language within double parentheses is deleted.

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30 Educational, Cultural, and Intellectual Development
34 Educational Support Services

GRANTS-IN-AID

Grants-In-Aid:

- 57** "The amount hereinabove appropriated for Advanced Placement Exam Fee Waiver shall supplement that portion of the Advanced Placement Exam Fee that is not currently funded by The College Board Test Fee Waiver and School Test Processing Fee Waiver for students that qualify for the Free or Reduced Lunch Program((, and any remaining amounts shall be allocated to the Commissioner of Education who shall provide grants to assist public school districts to establish or expand Advanced Placement programs including expanding virtual and/or blended Advanced Placement efforts. In awarding these grants the commissioner shall give preference to schools in which at least 40% of students qualify for the Free or Reduced Lunch Program or are presently offering four or fewer Advanced Placement courses and can establish unmet Advanced Placement potential as demonstrated by current PSAT / NMSQT data and other key measures. The grants may be used for the following purposes, including, but not limited to: providing additional academic support to students as well as outreach and recruitment of students; expanding access to the AP Insight Program; scholarships for teachers to participate in endorsed AP Summer Institutes or other beneficial professional development opportunities; and Advanced Placement course start-up costs, including, but not limited to curriculum materials, necessary laboratory equipment and other supplies or materials required for the offering of Advanced Placement courses. The commissioner shall develop additional grant-eligibility criteria and shall award funds to applying school districts accordingly))."

The language within double parentheses is deleted.

30 Educational, Cultural, and Intellectual Development
35 Education Administration and Management

DIRECT STATE SERVICES

Direct State Services:

- 59** "The appropriation hereinabove for State Board of Education Expenses is conditioned upon the Department of Education moving the implementation date of Subchapter 18 of the Fiscal Accountability, Efficiency and Budgeting Procedures Code (N.J.A.C.6A:23A-18) as approved by the State Board of Education on June 7, 2017 to July 1, 2018."

The quoted language is deleted in its entirety.

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION

40 Community Development and Environmental Management
44 Site Remediation and Waste Management

CAPITAL CONSTRUCTION

Capital Projects:

- 68** "Except as otherwise provided in this act and notwithstanding the provisions of any other law or regulation to the contrary, the first \$50,000,000((and one-half of any additional amounts)) in natural resource, cost recoveries and other associated damages recovered by the State, along with such additional amounts as may be determined by the Director of the Division of Budget and Accounting, in consultation with the Attorney General, to be necessary to pay for the costs of legal services related to such recoveries, shall be deposited into the Hazardous Discharge Site Cleanup Fund established pursuant to section 1 of P.L.1985, c.247 (C.58:10-23.34), and are appropriated for: direct and indirect costs of remediation, restoration, and clean up; costs for consulting, expert, and legal services incurred in pursuing claims for damages; and grants to local governments and nonprofit organizations to further implement restoration activities of the Office of Natural Resource Restoration. Recoveries in excess of the amounts appropriated pursuant to this paragraph, consistent with the terms and conditions of applicable settlement agreements or court rulings, shall be deposited in the General Fund as general State revenue."

The language within double parentheses is deleted.

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46 DEPARTMENT OF HEALTH

20 Physical and Mental Health

21 Health Services

GRANTS-IN-AID

Grants-In-Aid:

- 79** "From the amount hereinabove appropriated from Maternal, Child and Chronic Health Services, subject to the approval of the Director the Division of Budget and Accounting, \$10,000,000 shall be used to ensure that local health agencies implement the provisions of P.L.2017, c.7 (C.26:2-131 et al.), concerning childhood lead poisoning, including but not limited to increased testing pursuant to new CDC lead level guidelines, case management, personnel, equipment, training, licensing, environmental inspections, and clinical interventions; and shall be allocated as follows: \$3,510,000 to the local health agencies with the highest number of 2015 referred cases, distributed proportionate to the number of 2015 referred cases; \$2,990,000 for distribution to any other local health agency in reimbursement for cases in an amount of \$1,000 per case; and the remaining \$3,500,000 to reimburse local health agencies for the purchase and maintenance of equipment and training costs."

The quoted language is deleted in its entirety.

20 Physical and Mental Health

22 Health Planning and Evaluation

GRANTS-IN-AID

Grants-In-Aid:

- 82** "Notwithstanding the provisions of any law or regulation to the contrary, in the event that the State's waiver extension for the Hospital Delivery System Reform Incentive Payments (DSRIP) program does not receive federal approval, the amounts hereinabove appropriated for that purpose may be transferred to either Charity Care or Graduate Medical Education, or both, to ensure payments to hospitals continue to include federal matching funds; provided, however, that any such reallocation of DSRIP funds shall be ((provided to the same hospitals in the same amounts as in FY2017,))subject to the approval of the Director of the Division of Budget and Accounting"

The language within double parentheses is deleted.

- 83** "Notwithstanding the provisions of any law or regulation to the contrary, in addition to the amount hereinabove appropriated for Health Care Subsidy Fund Payments, there are appropriated such amounts as are required to the Health Care Subsidy Fund, subject to the approval of the Director of the Division of Budget and Accounting, to provide supplemental Charity Care, upon a determination by the State Treasurer after conferring with the Commissioner of Human Services and the Commissioner of Health that fiscal year 2018 documented charity care is increased or likely to be increased as a result of enactment of any federal law or regulation modifying eligibility criteria for enrollment of individuals in the Medicaid program pursuant to P.L.1968, c.413 (C.30:4D-1 et seq.) or the NJ FamilyCare program pursuant to P.L.2005, c.156 (C.30:4J-8 et al.). The distribution of supplemental Charity Care shall be determined by the Commissioner of Health."

The quoted language is deleted in its entirety.

54 DEPARTMENT OF HUMAN SERVICES

20 Physical and Mental Health

23 Mental Health and Addiction Services

7700 Division of Mental Health and Addiction Services

GRANTS-IN-AID

Grants-In-Aid:

- 88** "In order to permit flexibility in the handling of appropriations and assure timely payment to service providers during the conversion to a fee-for-service reimbursement structure, funds may be transferred from the Community Care account to the Division of Children's System of Care in the Department of Children and Families to support mental health treatment programs for children, subject to the approval of the Director of the Division of Budget and Accounting((with prior notification to the Joint Budget Oversight Committee))."

The language within double parentheses is deleted.

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20 Physical and Mental Health
24 Special Health Services
7540 Division of Medical Assistance and Health Services
GRANTS-IN-AID

Grants-In-Aid:

- 100** "Notwithstanding the provision of any law or regulation to the contrary, the amounts hereinabove appropriated in the General Medical Services program classification are subject to the following condition: effective July 1, 2017, the Commissioner of Human Services may make an advance payment to a nursing facility or an assisted living facility licensed pursuant to P.L.1971, c.136 (C.26:2H-1 et seq.), at the facility's request, whenever the facility is providing uncompensated services to one or more residents whose eligibility for Medicaid has not been determined more than 90 days after an application has been filed. Any such advance payment shall be made with State funding only and shall not exceed fifty percent of the estimated amount due for the uncompensated services. No later than 30 days after any such application is granted and payment has been made to the facility, or after any such application has been denied, the commissioner shall provide reimbursement for any balance due to the facility, or recover any advance payments made on behalf of an applicant deemed ineligible for Medicaid by reducing any payments due to the facility."

The quoted language is deleted in its entirety.

50 Economic Planning, Development, and Security
53 Economic Assistance and Security
7550 Division of Family Development
STATE AID

State Aid:

- 116** "Notwithstanding section 7 of P.L.1997, c.38 (C.44:10-61) or any other law or regulation to the contrary, the level of cash assistance benefits payable to an assistance unit with dependent children shall increase as a result of a child having been born to the assistance unit while the assistance unit is receiving assistance."

The quoted language is deleted in its entirety.

62 DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

50 Economic Planning, Development, and Security
53 Economic Assistance and Security
DIRECT STATE SERVICES

Direct State Services:

- 122** "In addition to the amount hereinabove appropriated for State Disability Insurance Plan, there is appropriated \$3,000,000 from the State Disability Benefits Fund for the Family Leave Insurance Program, of which \$2,000,000 shall be used to provide additional claims processing staff within the Division of Temporary Disability Insurance and \$1,000,000 shall be used for education and community outreach."

The quoted language is deleted in its entirety.

74 DEPARTMENT OF STATE

30 Educational, Cultural, and Intellectual Development
36 Higher Educational Services
2480 Stockton University
GRANTS-IN-AID

Grants-In-Aid:

- 151** "For the purpose of implementing the appropriations act for the current fiscal year, the number of State-funded positions at Stockton University shall be ((1,000))."

The number within double parentheses is reduced to 932.

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78 DEPARTMENT OF TRANSPORTATION

60 Transportation Programs

61 State and Local Highway Facilities

CAPITAL CONSTRUCTION

Capital Projects:

- 159** "Notwithstanding the provisions of any law or regulation to the contrary, monies deposited into the Transportation Trust Fund Subaccount for Capital Reserves may be transferred to the Transportation Trust Fund Subaccount for Debt Service for Prior Bonds and Transportation Trust Fund Subaccount for Debt Service for Transportation Program Bonds to satisfy current year debt service, bond reserve requirements, and other fiscal obligations of the New Jersey Transportation Trust Fund Authority, subject to the approval of the Director of the Division of Budget and Accounting.((In addition, there is appropriated an amount not to exceed \$8,000,000 from the Transportation Trust Fund Subaccount for Capital Reserves for freight rail assistance projects identified by the Commissioner of Transportation to support a safe, efficient, and effective rail freight system in this State pursuant to P.L.1986, c.56 (C.27:1A-5.1) and the implementing regulations at N.J.A.C.16:53C-1 et seq.))"

The language within double parentheses is deleted.

60 Transportation Programs

62 Public Transportation

GRANTS-IN-AID

Grants-In-Aid:

- 169** "Notwithstanding the provision of any law or regulation to the contrary, the amount hereinabove appropriated for New Jersey Transit Corporation is conditioned upon the following: no funds from any source of the New Jersey Transit Corporation shall be expended on any internet-based or other media messaging or advertising that criticizes operating, maintenance, or capital activities of other public, governmental, or quasi-governmental transit agencies with which the New Jersey Transit Corporation has a contractual agreement or memorandum of understanding affecting transportation infrastructure."

The quoted language is deleted in its entirety.

82 DEPARTMENT OF THE TREASURY

70 Government Direction, Management, and Control

75 State Subsidies and Financial Aid

STATE AID

State Aid:

- 184** "Pursuant to section 85 of P.L.2015, c.19 (C.5:10A-85), receipts derived from the 3% Meadowlands regional hotel use assessment are appropriated for deposit into the intermunicipal account established pursuant to section 53 of P.L.2015, c.19 (C.5:10A-53), and shall be used to pay Meadowlands adjustment payments to municipalities in the Meadowlands district pursuant to the "Hackensack Meadowlands Agency Consolidation Act," P.L.2015, c.19 (C.5:10A-1 et seq.), subject to the approval of the Director of the Division of Budget and Accounting.((Provided further, if the amount deposited into the intermunicipal account is insufficient, there are appropriated to the intermunicipal account established by section 53 of P.L.2015, c.19 (C.5:10A-53), such amounts as are necessary to pay each constituent municipality the meadowlands adjustment payment calculated pursuant to section 59 of P.L.2015, c.19 (C.5:10A-59), as shall be determined by the State Treasurer.))"

The language within double parentheses is deleted.

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94 INTERDEPARTMENTAL ACCOUNTS
70 *Government Direction, Management, and Control*
74 *General Government Services*
CAPITAL CONSTRUCTION

Capital Projects:

- 195** "Notwithstanding the provisions of any law or regulation to the contrary, in order to provide flexibility in administering the amounts provided for Statewide Fire, Life Safety and Renovations Projects; Life Safety, Emergency and IT Projects-Statewide; Roof Repairs-Statewide; Americans with Disabilities Act Compliance Projects-Statewide; Fuel Distribution Systems/Underground Storage Tank Replacements-Statewide; Hazardous Materials Removal Projects-Statewide; Statewide Security Projects; and Energy Efficiency Projects; such amounts as may be necessary may be transferred to individual project line items within various departments, subject to the approval of the Director of the Division of Budget and Accounting((with prior notification to the Joint Budget Oversight Committee))."

The language within double parentheses is deleted.

9420 *Other Interdepartmental Accounts*
GRANTS-IN-AID

Grants-In-Aid:

- 200** "The amount hereinabove appropriated for Direct Support Professionals Wage Increase shall be used to provide a wage increase to each direct support professional who provides children's behavioral health services and assists children and adults with intellectual and developmental disabilities under provider contracts with the Department of Children and Families, the Division of Developmental Disabilities in the Department of Human Services, and the Division of Vocational Rehabilitation Services in the Department of Labor and Workforce Development.((The Commissioner of Children and Families, the Commissioner of Human Services, and the Commissioner of Labor and Workforce Development shall modify service provider contracts as necessary to ensure receipt of this wage increase by each direct support professional beginning October 1, 2017. Amounts shall be transferred to departments and divisions contracting with community care providers in order to provide the appropriate upward contract adjustment.)) Contract adjustments to all eligible providers shall ensure that each direct support professional receives the same percentage wage increase. No later than October 1, 2017,((the Director of the Division of Budget and Accounting shall submit a report to)) the Joint Budget Oversight Committee((, detailing, for each department and division: the specific community care providers that)) will((receive an upward contract adjustment in FY2018; for each provider receiving an upward adjustment, the)) direct((support professional wage base dollar amount upon which each contract adjustment was calculated and)) the dollar amount of the upward contract adjustment to be received in FY2018((; the sum of the contract bases of all community providers receiving an upward adjustment; an explanation of how the amounts associated with the upward contract adjustment were calculated)); and((the manner in which the department or division administering each contract)) will ensure that the contract adjustment will be used to provide increased payments to direct support professionals."

The language within double parentheses is deleted.

GENERAL PROVISIONS

- 249** "51. Such amounts as may be necessary are appropriated or transferred from existing appropriations for ((the purpose of promoting awareness to increase participation in programs that are administered by the State, including but not limited to))programs to preserve or promote public health and safety, subject to the approval of the Director of the Division of Budget and Accounting."

The language within double parentheses is deleted.

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22 DEPARTMENT OF COMMUNITY AFFAIRS

- 36 Language related to the coordination of LIHEAP and SNAP benefits is deleted in its entirety. This language may result in the distribution of benefits without regard to actual heating and cooling expenses which is impermissible as per federal guidance.

34 DEPARTMENT OF EDUCATION

- 50 This language is modified to provide greater flexibility and a streamlined process to the Department of Education in providing assistance to districts.
- 53 This language is modified to provide greater flexibility to the Department of Education to ensure funding is provided to districts that have demonstrated a readiness to implement a program consistent with the preschool quality standards.
- 57 The language regarding excess funding is eliminated to ensure all of the funding is utilized for Advanced Placement Exam Fee waivers.
- 59 This language is deleted, in order to ensure the implementation of these regulations.

42 DEPARTMENT OF ENVIRONMENTAL PROTECTION

- 68 This language is modified, as the Legislature did not take into account the financial impact of this change.

46 DEPARTMENT OF HEALTH

- 79 This language is deleted to ensure flexibility in the distribution of these funds.
- 82 This language is modified to restore consistency with the Governor's budget recommendations for Fiscal Year 2018, and to ensure funding is allocated in a manner consistent with federal guidelines.
- 83 This language is deleted, as no federal law impacting the cited programs has been enacted, nor has any legislation introduced included changes that would impact the cited programs during Fiscal Year 2018.

54 DEPARTMENT OF HUMAN SERVICES

- 88 This language is modified, in order to restore consistency with the Governor's budget recommendations for Fiscal Year 2018.
- 100 This language is deleted in its entirety because of the financial and administrative burden it would place on the Department. The Department is available to work with impacted facilities as appropriate to address financial issues.
- 116 This language is deleted, in order to restore consistency with the Governor's budget recommendations for Fiscal Year 2018.

62 DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT

- 122 This language is deleted, in order to restore consistency with the Governor's budget recommendations for Fiscal Year 2018. The Governor's budget recommendations for Fiscal Year 2018 included appropriate funding levels for the Department's administration of the fund.

74 DEPARTMENT OF STATE

- 151 The number of State-funded positions is reduced in order to reflect the actual cost budgeted by the Legislature for those positions.

78 DEPARTMENT OF TRANSPORTATION

- 159 This language is modified, as freight rail assistance projects are already appropriately funded within the Governor's budget recommendations for Fiscal Year 2018.
- 169 This language is deleted because it is unnecessarily intrusive upon the operations of New Jersey Transit Corporation.

82 DEPARTMENT OF THE TREASURY

- 184 This language is deleted because it is an open-ended appropriation, requiring the State to make direct payments to municipalities, as a result of insufficient local assessment collections.

94 INTERDEPARTMENTAL ACCOUNTS

- 195 This language is modified, in order to restore consistency with the Governor's budget recommendations for Fiscal Year 2018.
- 200 In order to respect the legislative power over appropriations and to avoid inconsistency with legislative intent, this language is adjusted to ensure that the Joint Budget Oversight Committee will provide further direction on the intended distribution of these funds.

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GENERAL PROVISIONS

249 This language is modified to provide greater flexibility in addressing issues concerning public health and safety.

Respectfully,

Chris Christie
Governor

Attested,

Robert Garrenger
Acting Chief Counsel

**CHRIS CHRISTIE
GOVERNOR OF NEW JERSEY
TRANSMITTED TO THE FIRST ANNUAL SESSION
OF THE TWO HUNDRED AND EIGHTEENTH LEGISLATURE
February 28, 2017**

This is the ninth time I've come before a joint session to address our State's budget. Each time I've had specific goals in mind; guiding principles to follow. Government should get smaller. Taxes shall not be increased. Our core commitments must be met. Each time, with varying degrees of struggle, harmony and acrimony, we have reached these goals – I have stuck to those principles. Let me assure you that today will be no different.

The journey to greater fiscal health over the last eight years, from the depths of the recession to our economic growth of today, has taken many twists and turns. In 2010, New Jersey was in the middle of a fiscal crisis created by the great recession and a history of reckless taxing and spending by State government.

When I entered office, the State faced an immediate \$2.2 billion mid-year fiscal deficit. Even far worse was the breathtakingly large \$10.7 billion projected budget shortfall for fiscal 2011. We faced a staggering \$13 billion two-year budget gap.

Welcome to the old days in Trenton.

I was elected in 2009, and reelected in 2013, to sweep away the practices and the policies that brought us to the fiscal brink in 2010. Regular tax increases that dragged our state to zero net private sector job growth from 2001-2009. Exploding State spending and government employment that grew not only our expenses for the present but an unsustainable set of obligations for the future. A regulatory scheme that choked businesses, acted as a hidden tax on all of us and frustrated our citizens simply trying to get a permit.

The budget was also propped up with endless gimmicks. Billions of temporary federal stimulus funds, and the fantasy of temporary income tax hikes, corporate surtaxes, temporary employee furloughs. One shots used in a desperate attempt to make New Jerseyans believe that the state was on solid ground.

Let me assure you it was not.

Despite plummeting tax revenues even in the face of dozens of tax rate increases, State spending increased over the previous eight years. As the national economy faltered, spending in Trenton soared –increasing 58% from 2001 to 2008, over 8% per year, each and every year. And despite all that spending, barely any payment made to a pension system that grew less and less stable by the year.

The temporary plugs did what all things temporary do – they quickly faded away leaving a huge budget hole. What did Trenton do back in the old days? Tell the taxpayers that they would fill it. Yes, I ran for Governor in 2009 promising that those days would not continue, and in February of 2010 we began the work to make that promise the reality it is today.

I cut government. And, it was overdue. Deep, but necessary, cuts were made to every department of State government.

Today, that failing and bloated State government that I inherited in those cold and dark days of 2010, is more than 11,000 employees smaller. While shrinking the government workforce, we've also shrunk the actual footprint of government infrastructure. The State has vacated 1.5 million square feet of State-owned properties in the past seven years – many being sold and bringing in revenues of more than \$10 million. Lease payments have decreased by \$15 million annually. We have sold and shuttered those thousands of government cubicles to try to insure that the 2009 promise of a smaller government made and kept to our taxpayers cannot be broken by a new administration swollen by frivolous election year promises. The people in this room are the only folks who may be able to spare the public the exploding tax rates which would inevitably come in the wake of someone actually trying to keep those election year fantasies. We set the tone for smaller government at the State level and it has relentlessly spread to every level of government. I committed to leaving our State better than I had found it in 2010, and through these actions, we have done it.

The 2% property tax cap that we worked together to enact is doing its job. Since I took office, property taxes have gone up on average only 2.04% per year. Compare that to the 7% per year that they went up in the decade before I took office. A better New Jersey than we inherited in 2010 on property taxes.

And local governments are learning the same lessons that we've been demonstrating in Trenton. There are 21,000 fewer employees in county and local government jobs today than there were when I took office. In total, that means 32,000

GOVERNOR'S MESSAGE

fewer jobs at all levels of government today than there were in 2010. This did not happen by accident – it is an underreported fact that should give our citizens more faith that we can do more with less.

We cut spending, we cut red tape and we unleashed the potential of our businesses with targeted tax cuts. At the same time, we honored our commitment to provide for our most vulnerable New Jerseyans.

And because of the hard decisions made over the past seven years and the targeted investments we made to grow the economy and not grow government, I am proud of the fiscal 2018 budget I am presenting to you today.

Our discretionary spending is \$2 billion less than it was in 2008. We are once again providing the most funding to New Jersey schools in State history. School aid, municipal aid, and direct property tax relief programs account for \$17.4 billion in my fiscal 2018 budget proposal. That is nearly half of the budget that will go to offset the burden of property taxes on our citizens.

I will make a pension payment of \$2.5 billion – \$647 million more than the fiscal 2017 amount. And due to a responsible piece of legislation I signed into law, we will now make those payments quarterly. Just the latest reform to our pension system to add to our 2010 and 2011 reforms. We have done more for the solvency and stability of the pension system than any Governor in history despite all the empty rhetoric to the contrary. And there is more to come.

And most importantly, we are once again balancing our budget by being responsible stewards of the State's finances, rather than through budget gimmicks or by adding even more taxes on the backs of our citizens. This will be the first governorship in memory where no taxes were raised to add money to the general fund – no more endless feeding of a beast that would never be satisfied under the old ways.

In 2009, the budget was also balanced through 13.2% of one-shot revenues. Today, that is down to 2%. We are making due with less, rather than simply demanding more from our citizens. Trenton will be a much more welcoming fiscal climate for the next Governor in 2018. We have slayed the ghosts of fiscal irresponsibility that haunted this house in 2010. We have established a new baseline for government.

But the challenges to maintain a healthier fiscal climate in New Jersey require discipline to keep moving toward smaller government and lower taxes. This is never easy and the temptation to go back to our old ways, which led to no new private sector job growth for a decade, will be around every corner in this election year.

The next Governor cannot take their eye off the ball and slide back into bad spending habits, bad budgeting and the unrealistic expectation that more taxes can be tolerated by our citizens and businesses. The public will not tolerate it and they will kick out those who do it. If you do not believe it, I refer you to our history books and the elections of 1991, 1993 and 2009. Past is prologue.

The results of this fiscal discipline and holding the line on taxes are undeniable.

Since I took office, New Jersey has seen seven consecutive years of private-sector job growth. We have created 282,000 private-sector jobs. We have recovered all of the jobs lost in the Great Recession and have grown an additional 33,000 jobs on top of that. And we would have grown even faster if we had followed the prescription that other states followed by lowering taxes even more. We now have steady job growth in a private sector that was moribund for 10 years before we arrived to cut budgets and hold the line on taxes.

We began to improve New Jersey's uncompetitive business tax climate with meaningful tax cuts and tax reforms that businesses had been begging for and were stalled in Trenton for years before we pushed them through and into law. Those tax cuts have provided more than \$3 billion in tax relief to our business community.

This is on top of the \$1 billion in tax relief that we've provided for our employers through reforming our bankrupt unemployment insurance trust fund. For years Trenton had stolen money from this fund to prop up their irresponsible spending. When we arrived in 2010, the fund was billions in debt to the federal government and rife with fraud and abuse. We put an end to it. We amended the constitution so that politicians will never be able to steal money from this fund again. This fund is meant to be a rainy day fund for our citizens facing the tragedy of a lost job, not a piggy bank for irresponsible Trenton spending.

Now, at a positive balance of \$1.9 billion, New Jersey is well ahead of schedule and we will save employers more than a \$1 billion in taxes over the next five years.

When I took office, the unemployment rate was 9.8%. Today it is 4.7%. That is more than cut in half. That is the lowest it has been since 2008. New Jersey's unemployment rate is now below that of the nation as a whole; that was simply unthinkable when we entered office in 2010. New Jersey has come back and our economy is consistently growing once again. The numbers prove it. A better New Jersey in 2017 for employment than we inherited in 2010, with more New Jerseyans working today than at any time in our history.

With the Legislature, we passed the Economic Opportunity Act to make New Jersey a more competitive place again for businesses to invest, build and grow jobs. 269 projects have been approved bringing \$7.3 billion in private investment to the State, while creating and retaining more than 61,000 jobs for our citizens. This was another bipartisan effort to reduce taxes – with even more to come.

And we are creating good jobs. Since I took office, the personal income for New Jersey citizens has risen by 25%, a strong growth rate of 3.5% annually. This is due to an aggressive approach by my Administration in recruiting the nation's top industries to our state, by showing the nation and the world that New Jersey's infrastructure, geography, and higher education institutions are second to none. We have made New Jersey a place where government was getting smaller, taxes were going down and budget stability returned. What happened as a result? Our businesses in America started calling New Jersey home again.

Amazon. Forbes. JP Morgan Chase. Barclays. Sharpie. Rubbermaid. All coming to New Jersey to do business.

In 2016, Amazon announced its plans to open 2 more fulfillment centers in New Jersey – an 800,000-square-foot fulfillment center in Carteret and a 600,000-square-foot center in Florence. The e-commerce giant opened a 1-million-square-foot fulfillment center in Robbinsville in 2014. In 2015, Amazon increased its investment with a state-of-the-art fulfillment center in Carteret. Amazon currently has 5,500 full-time workers in New Jersey. The new facilities will add another 2,000 full-time jobs, making Amazon one of the state's top 20 employers.

Also in 2016, Newell Brands, the maker of Sharpie markers and Rubbermaid containers, announced it will relocate its headquarters from Atlanta to Hoboken to capitalize on East Coast talent for its growing e-commerce operations. Newell Brands decided, as Choose New Jersey says, that our state is highly educated and perfectly located.

In 2015, JPMorgan Chase announced a move of more than 2,100 jobs from Manhattan to Jersey City, bringing the total number of JPMorgan employees in Jersey City to about 7,000.

Forbes Media opened its new offices in 2014. Based in Manhattan for decades, the prominent media company relocated 350 jobs across the Hudson River to a mixed-use development site in Jersey City with the assistance of the Grow NJ Program.

Working to attract one critical business after another, we have rebuilt New Jersey's job market with tax incentives, tax cuts and smaller, more reliable government.

We also needed to continue to maintain and modernize our transportation infrastructure. While we had spent over \$22 billion on infrastructure in my first seven years as Governor, I knew we needed to do more. The only way to do that was to increase the gas tax. But I steadfastly refused to do that without tax cuts that equaled or exceeded any gas tax increase. The pundits and some politicians said that achieving tax fairness and building our infrastructure at the same time was impossible. Once again, by standing our ground and building consensus, we proved them wrong.

I signed a comprehensive tax reform bill, unlike the prior countless bills that only increased taxes that were sent to me by the Legislature, which I have vetoed time and time again. This bill was different than the dozens that had been sent to me before by this Chamber. This time the taxpayers had someone on their side. And in exchange for increasing the gas tax by \$1.2 billion, which is borne by both our citizens and the thousands of out-of-state commuters who traverse our state and use our roads on a daily basis, we were able to cut taxes \$1.4 billion and reduce the tax burden that had been strangling the long term affordability of New Jersey.

What did we do?

We reduced the sales tax for the first time in decades. We provided an enormous tax cut for retirees so they can stay in their homes and end the unfairness of double taxation of retirement income. We eliminated the death tax so that people do not flee our state to avoid us fleecing them at life's end. We provided tax savings for our loyal veterans. We increased the EITC to 35% of the federal tax credit. We now provide one of the richest earned income tax credits in the entire nation, to support our working poor. Everyone who works today or has worked in our state saw their taxes cut. I am sure New Jerseyans could barely believe their eyes or ears.

The new Transportation Trust Fund reauthorization that we reached together will ensure a 25% increase in funding for the maintenance and improvement of the state's transportation network.

The new TTF will provide \$32 billion to maintain and upgrade our roadways over the next 8 years. The largest and longest transportation investment program in State history. I committed to leaving New Jersey better after eight years than how I found it. Through a bill which lowered taxes and increased funding for our roads, bridges and mass transit, we are keeping that promise too. In 2010, we inherited a state where funding for infrastructure had not been increased for 22 years. In 2017, we have a state with funding increased 25% and the longest infrastructure improvement plan in state history. A better New Jersey today than we inherited in 2010.

GOVERNOR'S MESSAGE

To jumpstart this investment and create jobs, I am proposing today a \$400 million supplemental appropriation in this fiscal year to address bridge deficiencies and the state of good repair for roads in all of New Jersey's 21 counties. And we will spend these funds and make these investments quickly over the next 100 days. We will expedite technology enhancements and other infrastructure improvements for New Jersey Transit. This \$400 million will allow the NJ Department of Transportation to deliver the largest construction program in state history starting right now. The result will be smoother roads, safer bridges and a more technologically sound mass transit system – all great things for New Jersey commuters.

In 2013 we provided \$1.3 billion in capital funding for 176 projects at 46 of our higher education institutions. Last June, we provided an additional \$180 million for 35 more projects targeting programs that boost technology, support the health sciences and renovate laboratories at learning institutions across the state. Combined, that is a \$1.5 billion investment in our children's future, and in helping our state maintain its status as a highly educated center of industry. We are the first Administration in over 25 years to invest in expanding and modernizing our colleges and universities. Once again, keeping our promise to leave New Jersey better in 2017 than we found it in 2010 when we arrived. More seats at our colleges and universities. More modern classrooms and facilities. Better schools for our citizen. In higher education a much better New Jersey today than we inherited in 2010.

A private sector growing jobs. A public sector shrinking jobs, cutting taxes and investing in a more vibrant economy. A long-term commitment to our transportation infrastructure. A strategic investment in our higher education campuses to bolster a stronger, smarter workforce and to keep New Jersey's students in New Jersey.

Investment in the state's bricks and mortar infrastructure has never been higher. But just as importantly, investment in the social infrastructure to protect the state's most vulnerable has also increased over the past seven years even with the smaller government we have achieved.

My fiscal 18 budget increases funding to NJ FamilyCare, the State's Medicaid program. Since New Jersey expanded FamilyCare in 2014, we have seen an additional 487,000 uninsured New Jersey residents gain coverage. In light of political pressure to do otherwise, we stood up for our neediest citizens. Not only did this expansion provide reliable medical coverage to many formerly uninsured residents, the infusion of federal dollars has generated meaningful savings to the State budget.

This expansion of NJ FamilyCare has led to a dramatic decrease in uninsured residents. As such, this will allow for a \$25 million reduction in State funding for Charity Care in fiscal 2018.

However, we continue to be concerned about a doctor and nurse shortage in our state. So, we are investing a portion of this savings into our Graduate Medical Education program. The program will increase by \$30 million in combined State and federal funds this year. This will ensure that New Jersey residents have continued access to well-trained doctors and encourage those doctors to develop roots and make New Jersey their permanent homes. In this Administration, we have opened medical schools, made Rutgers a giant in healthcare education and training and improved Rutgers funding from number 55 to number 18 in the nation. Once again, leaving New Jersey better than we found it.

As a result of reforms initiated under the Medicaid Comprehensive Waiver, adults with intellectual and developmental disabilities who are living independently or with a family are becoming eligible for substantially increased in-home support services for which the State will receive a federal match. This additional \$100 million in matching funding will grow the program to an estimated \$200 million with expanded services. For the developmentally disabled community and their families, this will give them even more help to bring great joy to their lives. This particularly vulnerable community, a community with great potential for growth, will not be forgotten or left behind by this Administration. Once again, leaving New Jersey better than we found it in 2010.

In fiscal 2018, we will invest \$20 million to fund lead remediation assistance for low- and moderate-income households in New Jersey, and to meet the funding needs required by new regulations to identify elevated blood-lead levels in children. It was this Administration that reacted quickly and decisively to deal with this issue by adding immediate funding last year. We continue that commitment to our citizens' health in this budget.

Fighting the addiction crisis facing New Jersey has been and will continue to be in the next 10 months a top priority in my tenure as Governor.

We have made unprecedented increases in the amount of funding provided for addiction services since I took office, increasing the amount of combined State and federal funding by 52%, from \$282.7 million in fiscal year 2010 Appropriations Act to a recommended \$430 million in my fiscal 2018 budget.

When I came before you last month, I spent a majority of my time talking about the scourge of drug addiction and how it is impacting the lives of every citizen of our state. My budget proposal for 2018 includes vital funding for the proposals that we talked about then, in addition to maintaining other critical funding to combat this epidemic.

I would like to praise the work of this body, in showing that we can work quickly together, when our citizens are most in need. Last time we were together, I put forward a package of bold proposals to dramatically shift the way addiction and substance use services can be obtained. I challenged you, the Legislature, to deliver to me a bill that made these proposals a reality, and you did just that. When I signed that legislation less than two weeks ago, we showed the nation once again, that in New Jersey, when we work together we can accomplish anything. We showed again that New Jersey is a leader in fighting the terrible disease of addiction.

As mentioned, there are also several proposals that I announced in January that are reflected in my proposed fiscal 2018 budget. It provides an additional \$5 million for the statewide expansion of a successful pilot program aimed at improving the capability of primary care physicians to screen, care for, manage and increase access to mental health services for children with behavioral health conditions and substance use issues.

Last month, we also announced an additional \$12 million investment for residential services within the Department of Children and Families to allow 18-19-year-old young adults to receive substance use services in their facilities. In addition, at my direction, the Department of Health has advertised for the need of up to 900 newly licensed hospital beds for the treatment of residents suffering from co-occurring behavioral health and addiction issues.

My fiscal 2018 budget also provides an increase of \$1 million in funding for the expansion of the Recovery Dorms program to further support our college students who have been caught in the addiction epidemic.

The State's commitment to the Recovery Coach Program continues in fiscal 2018. The fiscal 2018 budget provides \$2.8 million in funding to continue supporting this program, which reaches and connects drug overdose survivors with treatment, counseling and support services in the immediate aftermath of their overdose.

We are also following through on our commitment to take a smarter and more effective approach focused on treating drug-addicted offenders. Our Drug Court Program is working in all 21 counties and my fiscal 2018 budget provides nearly \$64 million to ensure its continued success.

But we need to do even more and we can with willing partners. Today, I am calling on the Legislature to join with me in partnering with the insurance industry to take action to fight for our underserved in this state.

Five years ago, Blue Cross Blue Shield of Massachusetts took the initiative themselves, without government intervention, to limit the distribution of prescription painkillers. They are also finding and coordinating care with detox programs to lessen relapses and funding recovery coach programs. In New Jersey, government has taken the sole responsibility for these actions.

Horizon Blue Cross Blue Shield of New Jersey enjoys non-profit status despite making billions of dollars. They insure over 55% of the health insurance market. They used to be known as the insurer of last resort in our state, but no longer have that burden and responsibility. Since I expanded Medicaid in 2013, the State and its taxpayers are the insurer of last resort, lifting a great burden from Horizon. They have over \$2.9 billion in surplus on nearly \$12 billion a year in revenue. While some would argue for converting Horizon to a for-profit company, which would bring a windfall of billions of dollars to state taxpayers, I am not advocating that move today. Nor am I suggesting that we use Horizon to fill any budget gaps. Our budget is balanced and needs no such one-shot gimmicks to be balanced.

No, what I propose today is that we work urgently to establish a permanent fund that Horizon would fund every year through their abundant surplus, provided by their 3.8 million New Jersey members, to support our most vulnerable population who access Charity Care and Medicaid.

Today, I would propose we use this fund to help this population gain even greater access to in-patient and out-patient drug rehabilitation treatment. This is a public health crisis which is killing our citizens at an alarming rate. These funds could be used to provide the most vulnerable with access to treatment and hope for an even healthier future.

As the sole insurer with this unique non-profit status and historically charitable mission, Horizon shares in the financial obligation of caring for our most vulnerable citizens and can set aside in this fund excess surplus monies and other revenue to support our efforts to beat this disease. Today, it is drug addiction. Tomorrow, this fund could be used to support our hospitals mission or the ever increasing need for healthcare for the poor.

I am confident Horizon will embrace this opportunity and partner with us to establish this permanent, sustainable fund. They will not turn their back on the people of New Jersey who pay their salaries and, as the people's representatives, we will partner with them to make sure it happens by June 30.

We are changing the way that our corrections system deals with substance use disorders. As I promised last year, Mid-State Correctional Facility will be reopening this spring as an institution dedicated to drug treatment. The new Mid-State Correctional Facility substance use disorder treatment program will be licensed by the Division of Mental Health

GOVERNOR'S MESSAGE

and Addiction Services. My fiscal 2018 budget provides \$2 million in additional funding to provide for the new mission of Mid-State.

The reason that we were able to close Mid-State prison and reopen it as an institution dedicated to drug use, is because of our new approach to drug addiction. We have refocused our attention on the individuals who are suffering from drug addiction and helped them reform their lives. During my time as Governor, we have decreased our prison population by nearly 22%. Prison population has dropped at every one of New Jersey's prisons. By bucking a national trend with our dramatic drop in prison population, we are showing that we can also leave this aspect of New Jersey life much better than when we found it in 2010.

And this prison population reduction has not come at the cost of our public safety. Crime rates have dropped 20% during my time as Governor. I entered office in 2010 as New Jersey's former U.S. Attorney promising to make New Jersey a safer place for all of our citizens. By appointing outstanding people as Attorney General and supporting the mission of our police, we have accomplished that goal. Thanks to Paula Dow, Jeff Chiesa, John Hoffman and Chris Porrino for your stewardship of our state's safety and for helping me leave New Jersey safer than we found it in 2010.

I am proud to report that my 2018 budget plans for the closure of another one of the State's prison facilities. Due to the continuing decrease in the State's prison population, we will be closing the satellite wing of the Bayside State prison located at the Ancora Psychiatric Hospital. The approximately 250 inmates currently housed there will be moved to our other facilities. There will be no layoffs as a result of this closure and we will work with the existing employees for a smooth transition between other roles in the Department of Corrections. We have made reducing the prison population a hallmark of this Administration. Tough law enforcement does not mean warehousing our citizens to make our streets safer.

Working together we put forward a constitutional amendment that the citizens of this state passed to reform New Jersey's criminal justice system. Those reforms will keep dangerous individuals off the streets by allowing judges to hold people charged with the most serious violent crimes without bail. No longer will gang bangers use cash from drug deals to get out of jail and, before their trial, kill or intimidate witnesses. We trust our judges to keep violent sociopaths behind bars where they truly belong. And we will hold them responsible for meeting the mission the people have given them.

We have also made our bail system fairer by allowing individuals who commit minor, nonviolent offenses to avoid money bail for pretrial release. New Jersey should not have the equivalent of debtors' prison in the 21st century. In January, we provided funding for 20 additional judges to address new pretrial release and detention proceedings, and my fiscal 2018 budget continues that funding. The poor should not spend months, or even years, in jail just because they are poor. Together we have ended this injustice.

As you can plainly see, my fiscal 2018 budget continues to prioritize important spending to help the State grow and to help those who most need it despite the escalating costs of fulfilling our pension and health benefit obligations that continue to erode the State's ability to address all of the important issues we want and need to address as a State.

Almost every new tax dollar that comes in has gone to pay for pensions, health benefits and debt service. In this budget, over 82%. Without further reforms, the State can simply not afford to meet its obligations.

A key component of controlling government costs is controlling the spending that drives those costs. And as everyone is well aware the largest drivers of those costs are the defined benefit pensions and platinum plus health benefits that we provide to some, though not all, of our State employees.

We have made some progress in controlling those costs.

Our 2010 and 2011 landmark reforms were significant and will save taxpayers nearly \$120 billion over thirty years. For those who have called those reforms a failure, remember that number -- \$120 billion. Those savings would not be there without these reforms and our system would have already buckled under that weight. And this year, through legislation to reduce prescription benefit costs and extensive negotiations with the State Employee's plan design committee, we were able to hold year-over-year health benefit costs nearly flat in Fiscal Year 2017 for the first time in the history of this Administration.

While those reforms will continue to bear fruit in the years to come, let me be very clear - they are not enough.

Even with the reforms that we have made, our increased pension payment and health benefit costs would represent 82% of the year-over-year growth in the budget.

In 2001, health benefit costs represented 4.5% of the State budget. In 2018, without reforms, they would represent 10% of the State budget.

This is not sustainable, and as such I am once again calling for the enactment of health benefit reforms in my budget proposal. My budget assumes \$125 million in health benefit savings from those reforms. And because these costs are also borne by the state's local governments and the employees themselves, this \$125 million in State savings will also equate to approximately \$127 million in local government savings and approximately \$30 million in savings to State and local government employees. Why would we not want to save this money for everyone—State and local government and our public employees? Let's not go through the brinksmanship of last year—let's pass these modest but important reforms by June 30.

In addition, in anticipation of the Legislature enacting meaningful out-of-network reform, I am recognizing budget savings for a reasonable transparency solution to out-of-network surprise billing that will allow employees to be in a position to choose for themselves whether they wish to pay higher rates to go out of network. It's a small first step in the right direction and it's hard to argue the benefits of transparency.

So let's talk about public sector pensions. For seven years I've been working to address this issue. We have passed larger reforms than any Administration in history. We have contributed 2.5 times more money than the last 5 administrations combined.

While the need for real and sustainable long-term reform cannot be understated, addressing the continued compounding of our pension crisis requires a substantial increase in State contributions.

Accordingly, I am proposing increasing the pension payment by \$647 million over last year, to a \$2.5 billion pension payment in fiscal 2018.

To provide some context, the combined contributions of Governors Whitman, DiFrancesco, McGreevey, Codey, and Corzine were \$3.4 billion from 1995 through 2010. We are making a \$2.5 billion payment in one year. With this payment, we will have contributed \$8.8 billion to the pension system under my Administration. All without raising taxes to do so. But let's stop here for just a moment.

So, this Administration has taken extraordinary steps to control the runaway cost of defined benefit pensions via both a smaller, more efficient State government and common-sense pension reforms that have combined to reduce our pension liability by hundreds of billions of dollars. We have also contributed 2.5 times more in public money to the pension than the last five Administrations combined.

In addition, we have also been the most proactive administration at ensuring the benefits that our hard-working State employees have accrued will actually be there for them during retirement.

First, as I just outlined, this Administration has been far and away the largest contributor to the pension system. Second, working with the Legislature, last fall we enacted legislation to provide for quarterly payments into the pension system, rather than continuing the past practice of making the entire contribution at the end of June. This will both provide more certainty that the full budgeted payment will be made each fiscal year, but also put funds into the pension system earlier, allowing the Division of Investment to put them to work longer for the pension, helping reduce the unfunded liability.

Finally, we have also decreased the assumed rate of return on pension assets from 8.25% when I took office to 7.95% in 2012, 7.90% in 2013, and down to 7.65% as of yesterday. By reducing the assumed rate of return, we are stopping the gimmickry. When we have too high an assumed rate of return, we are not telling the public the truth. We will continue to reverse the gimmicks of past Administrations. While this concerted effort has contributed to increases in the annual required contribution into the pension system, those payments are crucial in ensuring the long-term viability of the pension system. This has not been easy for us to do—but the right thing rarely is easy. We have obviously not done this to get credit—good thing because we haven't gotten any—we've done it for our state's pensioners and our state's fiscal health.

All in all, there is no question that this Administration has been the most focused in our State's history on shoring up our pension system.

Today, I am going a step further.

Following the lead of a number of private sector pension plans, one potential path to greater solvency is to make large transfers of assets into the pension fund. Such a scenario has the same effect as a cash infusion—the value of assets increases, thereby reducing the unfunded liability in our pension system.

In the case of New Jersey, we have one incredibly attractive asset that could be utilized in such a fashion—the State Lottery. This is a State-sponsored monopoly that spins off large amounts of cash. Today, though, we have no ability to recognize the significant value of that asset.

GOVERNOR'S MESSAGE

I am proposing to contribute the revenues from the Lottery to eligible pension plans. The contribution would have the immediate effect of reducing the unfunded liability of the pension system by approximately \$13 billion, and would increase the funded ratio of the pension system by almost 15 percentage points in one fell swoop, from 49% to 64%. This would also significantly reduce the amount we have to pay into the pension system every year out of the general fund.

I look forward to sitting with all stakeholders right away to discuss the specifics of implementing this plan. But let's be clear, if implemented correctly this action would increase the value and stability of our pension funds immediately and would please bond investors and credit rating agencies, also giving greater confidence to New Jersey's public employees. I am committed to making every effort to fix our long-term pension problem. This type of bold action can make it achievable. On pensions, put aside the ideology and the rhetoric and the facts show that we can leave the system much better than we found it in 2010.

Finally – let's talk about school funding.

For the seventh consecutive year, my budget proposes the highest amount of school aid supporting education in New Jersey history. I am proposing more than \$13.8 billion in spending on education. Of that, approximately \$9.2 billion represents direct aid to schools. Now, this represents 39% of our entire State budget for fiscal year 2018. For the naysayers, no amount will ever be enough. But the facts are that we have contributed more money to K-12 education than any Administration in history.

I spent a lot of last year traveling around the state having candid conversations with taxpayers about something that's, unfortunately, in dwindling supply in government these days . . . fairness.

That's right, regular people and I spent some time talking about the element of fairness when government goes about taking and spending our hard-earned dollars. We also talked about fairness in school funding, which we all know represents nearly 40% of the entire State budget.

Anyone who has heard my message about school funding won't be surprised to hear me say today, as plainly as I can, that school funding in New Jersey is not fair. It is crippling so many school districts and it is driving people out of the state due to ever increasing school costs. Certain municipalities are ripping off the State; certain school districts are being ripped off.

To me, fairness in school funding means nothing other than equal funding for each and every student. No student should be less valuable in the eyes of the state than any other student.

But just standing here and saying "fair" over and over doesn't change the reality of the situation. Like "fairness," "reality" is an under-recognized concept in Trenton these days.

When I was first elected to the governorship, the latest and greatest legislative school funding formula -- the SFRA -- was in its infancy. Introduced in the Legislature on January 3, 2008, ushered through the committee process the same day, passed by both houses within four days of introduction, signed by our preceding governor on January 13, 2008, the SFRA was on the fast track and it was supposed to be all things to all people. Those who questioned it were told, fear not. This formula was affordable and would work. The reality – it is not fair, it is not affordable and it has not worked. We should have known – and some of us did.

It was legislation hatched by big government education "experts," supported by special interests, and "approved" by the New Jersey Supreme Court . . . how could anything go wrong?

Not surprisingly, the formula was detached from reality, both literally and figuratively. From the outset, it was a fantasy.

Let me be blunt. The SFRA is a disaster that fittingly caps decades of misguided educational funding experimentation by lawmakers and courts alike. Similar to tax fairness, school funding fairness cannot be imposed by a Governor acting alone. What is required are willing partners, both in the Legislature and the courts.

So far in my time as Governor, I have experienced the best and the worst when it comes to cooperation from my co-equal partners in the other two branches of government.

I thank the majority of the Legislature on both sides of the aisle for working with me last year on tax fairness in the context of the transportation trust fund reauthorization. For six years I tried to reverse the tide of endless tax increases without any relief or hint of fairness. Finally, we were able to do some of that together last year, and New Jersey is much better off for it. It remains my goal to turn the tide of school funding fairness as well.

I proposed the fairness formula because I believe in it. I proposed it because I wanted to shine a light on the failure of the current formula. I proposed it to shove the other two branches into a real conversation to fix this problem. Well, in the last few months I have finally heard the leaders of the Legislature admit what I've been saying for eight years – this system is unfair and broken.

So now I will make one final offer. In fact, I will make a pledge. I pledge to work with the leaders of the Legislature to come up with a new funding formula. Everything is on the table. No idea out of bounds for discussion. I am willing to work with you to solve this problem without any pre-conditions on the ideas brought to the table.

However, here is my one requirement to offering compromise. 100 days. We have 100 days to get this done. No phony task forces. No blue ribbon commissions. No delays until next year. We get in a room and you get this done with me, for the families of this state, in the next 100 days. It took you 10 days to pass this failed formula in 2008. Let's take 100 days to pass one that is fair for all New Jersey students in 2017.

If we can't do it in 100 days, shame on us. We should do it before you face the voters again. We must do it before we, and our students leave for summer vacation. I am ready if you are ready.

Please understand that this offer is genuine and heartfelt. We have capped our property taxes together. We have capped public employee salary awards together. We have recovered from Hurricane Sandy together. We have reduced spending together. We have secured our Transportation Trust Fund together. We can and we must do this together.

But please be assured that if we do not do this in the next 100 days together, each branch will then be left to its own authority and its own devices to fix this problem on its own. I want to act with you. But, if forced, I will act alone. But it will be fixed before I leave this town.

These are our goals for this budget. Lower taxes. Controlling spending. Meeting and enhancing our commitment to our pension system. Highest school funding in State history. Confronting, head-on, the disease of addiction. This blueprint gives us the chance to do it and, if we are truly bold, a new school funding formula that is fair to all and a new partnership with Horizon to help beat the opioid crisis and serve those truly in need.

I recall vividly standing here on February 11, 2010, over seven years ago, facing a \$2.2 billion deficit with only 4 ½ months left in the fiscal year. I cut spending in over 375 State programs. We reduced school aid by \$475 million, the amount all state school districts had in their surplus accounts. We canceled the very modest \$104 million payment Governor Corzine had budgeted for the pension system. Unemployment was said to be 10%. Revenues were down by over \$1.2 billion. The previous Administration had spent \$800 million in non-budgeted supplemental spending on the way out the door. And just over the horizon? A second budget speech 33 days later for the fiscal year 2011 with a projected deficit of \$10.7 billion. Those were dark, dark days. If you listen to some of the partisan pundits or read the liberal editorial pages, they would have you believe that today is no better or even worse, than that dark day. But what do the facts tell us about today and all the efforts we've made 2,572 days later?

Not deficit, but a balanced budget and a health surplus. Not reducing school aid by \$475 million, but having increased it by over \$3.3 billion since that day. Not cancelling an insignificant \$100 million payment to our pension, but making a \$2.5 billion payment, the largest in State history. Unemployment cut in half. All the jobs from the great recession back plus 33,000 more to spare. Lower income taxes for seniors. No death tax for anyone. Lower sales tax. And property tax increases reduced by 72%. \$32 billion budgeted and paid for to build state infrastructure. Business taxes cut by \$3 billion. \$1.3 billion invested to grow and modernize the classrooms and laboratories for our state colleges and universities. And all of that having been done while recovering from the second worst natural disaster in our nation's history and having to, for a second time, rebuild our tourist industry at the Jersey Shore. And, let's not forget, for the first time in recent memory no general fund tax increases for seven years. No sales tax increase. In fact, two sales tax cuts for our citizens. No business tax increases. In fact, a \$3 billion job-creating business tax cut. And for the working poor, a 35% Earned Income Tax Credit, the largest tax cut for the working poor in New Jersey history and one of the largest in the nation.

February 28, 2017 no better than February 11, 2010? Worse than February 11, 2010? No chance. Facts are stubborn, stubborn things.

We still have work to do. We will always have work to do. We are New Jerseyans—we are always striving, we are never satisfied. But I am proud of what our collaborations and conflicts have achieved. This is a better State today—a much better State—than it was seven years ago; by almost every measure. And I am a better person and a better Governor for having worked with all of you and for having the great honor to lead the State I have always called home. Let's not quit now—let's work together to make things even better a year from now. I am ready. I am willing. Let's get to work one more time.



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SESSION OF 2016-2017**

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